



Daily Report

Latin America

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Monday
29 April 1991

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Drug Summit To Create 'Intelligence Organizations'

PA2704045591 Hamburg DPA in Spanish 2210 GMT
26 Apr 91

[Text] Cartagena de Indias (Colombia), 26 Apr (DPA)—The 38 countries that attended the ninth international conference on drug control, which ended in the Colombian city of Cartagena de Indias today, agreed to establish two central intelligence organizations to combat money laundering and trafficking in chemicals in an effort to cut off the two resources that nourish the drug trafficking mafia.

It was agreed that the two specialized bodies will be installed in a country whose identity will remain secret to allow it to act as a clearinghouse for information obtained in the course of anti-mafia operations. Delegates to the summit revealed that the antidrug police will provide the central organizations with information on raids, arrests, and undercover operations.

At the start of the meeting on 23 April, the Colombian police had proposed that each country create specialized units to detect financial dealings of the narco-mafia, which "launders" the illegally obtained money.

Colombian Secret Police investigations indicate that the drug trafficking mafia could be handling as much as \$200 billion in financial transactions annually. Part of that money is invested in travel agencies, hotels, and nightclubs in European cities.

Greg Passic, chief of DEA financial operations, warned at the closing of the summit that all countries involved in this struggle will "go after mafia money." Passic added that the central intelligence organizations will provide basic information to identify drug traffickers' bank accounts, which are usually opened by front men who lend their names, and will freeze the deposited funds.

During the conference DEA officials and the Colombian Government underscored the success that could be achieved through international cooperation to uncover the financial dealings of criminal organizations.

It was reported that joint Bogota-Washington operations during 1990 led to the seizure of some \$282 million deposited by the drug cartels in 26 countries. The U.S. authorities alone froze \$88 million in U.S., Panamanian, Swiss, Luxembourg, British, and Austrian banks accounts linked to mafioso Gonzalo Rodriguez Gacha, the number-two man in the Medellin cartel who was killed during a police operation in December 1989.

According to the agreement signed between the United States and Colombia, before the end of the year, Washington will turn over to Bogota half the money seized from the Medellin and Cali cartels.

The DEA expert pointed out that one of the most important developments of the summit is that the countries realized the need to change—as the case may

be—their own domestic legislation to facilitate the sharing of information with the central intelligence organizations that were created.

The summit delegates urged the United States, Germany, France, and The Netherlands to redouble their efforts to control the export of chemicals needed to refine cocaine, many of which are sold to fictitious companies that serve as narcomafia fronts. It was also agreed that the chemicals that are seized will not be destroyed but turned over to legal industries.

The conference also agreed to establish strict regulations in each country to control the movement of such substances at ports, borders, railroads, on aircraft, and on ships.

Moreover, the governments will conduct a study to determine the exact quantity of chemicals required by the legal industries, in order to be able to detect how much is being diverted to the mafia.

Colombia, Venezuela, Ecuador, Bolivia, Peru, and Brazil asked the summit to establish a central bank that would store all information on producers, buyers, and chemical exporters.

Other nations, such as Mexico, Costa Rica, Guatemala, Canada, Panama, and Jamaica asked the EEC to periodically file information on the movement of chemicals in its 12 member countries.

DEA officials said that the organized mafia in Colombia continues to introduce the largest amount of cocaine into the United States, but they admitted that groups from Peru and Bolivia are trying to become independent in an attempt to enter the business in full force.

In October, the 38 countries that attended this summit will meet in Mexico to assess the implementation of commitments made in Cartagena de Indias.

Europe To Increase Latin American Spending

PY2004143491 Madrid EFE in English 0614 GMT
20 Apr 91

[Text] La Paz, April 20 (EFE)—The 12-nation European Community is to increase spending on Latin America in the five-year period 1991-1996 by 80 per cent on the previous five year period, a leading official said Saturday [20 April].

Speaking in the main Bolivian city of La Paz, EC Latin American Commissioner Abel Matutes said that despite funding for the newly liberalized economies of Eastern Europe, the flow of funds heading for Latin America had increased in recent months. Matutes insisted that Eastern Europe's development would not be at the expense of Latin America.

Latin America's chronic debt problem and the collapse of communist regimes in Eastern Europe in 1989 led many economists and politicians in the region to fear that investment would fall off.

Cuba**Castro Meets Pan-American Sports Group Leaders***FL2704120791 Havana Tele Rebelde Network
in Spanish 1100 GMT 27 Apr 91*

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, has held a fraternal meeting with leaders of the Executive Committee of the Pan-American Sports Organization, PASO. PASO President Mario Vazquez Rana congratulated him for the efforts made by the Cuban people in the preparation for the Pan-American Games. The meeting took place at Revolution Palace. Fidel held a lively chat with the sports executives of the continent for an hour. He referred to various subjects in addition to the upcoming Pan-American Games.

Castro on Progress of Pan-Am Games Projects*FL2704145591 Havana Tele Rebelde Network
in Spanish 1208 GMT 27 Apr 91*

[Interview with Cuban President Fidel Castro by unidentified reporter at Havana's Revolution Palace on 26 April—recorded]

[Text] [Reporter] The only thing I want... [rephrases] because I have been arriving after you at the installations for months. Whenever you have gone to the swimming pools I arrive after you have left. When you go over there....

[Castro, interrupting] What do you want?

[Reporter] I would like for you to assess the Pan-Am Games projects under construction. Especially, how you assess....

[Castro, interrupting] I go there more or less every two weeks. The last time I went, I saw that they were in an advanced stage. I mainly get information from those who are involved in this, especially Comrade [Carlos] Lage, who is in charge of following up all those projects and providing them with support. I also talk with the people of the party. I know that we have had delays at a given time, but I also know that we have made a lot of progress at this point. The projects will be completely finished way before the Pan-Am Games begin.

All the news I have is good. Vazquez Rana [president of the Pan-American Sports Organization] is usually critical. He always notes the delays on this or that project. You heard what he said; he congratulated us for how well things are going.

[Reporter] Commander, I personally believe that the effort Santiago de Cuba has made has been double. I went over there a year ago and did not believe that they would catch up with Havana, nevertheless, they have moved ahead. For example, the Alejandro [name indistinct] multiple-use building is at a more advanced stage than the one in Plaza.

[Castro] I saw it. I went there when I visited Santiago. Those people really did it. I believe that they are at a more advanced stage than the one in Plaza. They may finish before Plaza. Plaza has to work very hard.

[Reporter] Plaza has had many problems with materials. I do not believe that it has been a problem with the men.

[Castro] Well, I do not know in detail what have been their.... [changes thought] I have passed by there several times. I believe that they have been overconfident. In my opinion, they could have made more progress; but it will be completed on time. It will be completed by the end of May or the beginning of June. I thought you were going to ask me to go with you on a tour of the installations.

[Reporter] That is right. When are we going?

[Castro] It just occurred to me. I will let you know one of these days. I do not want to commit myself.

[Reporter] I have told [Jose Ramon] Fernandez many times.

[Castro] One of these days we will go with you, the people from the television station, and you can show me things over there.

Havana Radio Notes Moscow Unemployment Estimates*FL2604171491 Havana Radio Progreso Network
in Spanish 1625 GMT 26 Apr 91*

[Text] One out of 10 Moscovites could be left unemployed by the end of the year because of the reforms being implemented in the country. This was reported by [Ivan] Saslavskiy, president of the recently created employment office. According to estimates, the number of unemployed people would reportedly amount to over 800,000 and could reach 1 million in the Soviet capital with a population of 10 million. The number of unemployed in Moscow is currently at 10,000.

Cooperation Agreement Signed With Mozambique*FL2704140391 Havana Tele Rebelde and Cuba
Vision Networks in Spanish 0000 GMT 27 Apr 91*

[Text] The ninth session of the joint Cuba-Mozambique intergovernmental commission ended today with the signing of a cooperation agreement by Ernesto Melendez, minister president of the State Committee for Economic Cooperation, CECE; and Mr. Leonardo Simao, Mozambican minister of health. The document provides for the broadening of technical assistance to the African country, mainly in the areas of higher education and health. It also considers modalities of regular trade cooperation and contracting of Cuban specialists by international economic organizations through direct agreements with the Cuba Technical Enterprise.

Leonardo Simao, who headed the Mozambican delegation to the intergovernmental commission session, had

been previously received by Lionel Soto, vice president of the Council of Ministers, and by Foreign Minister Isidoro Malmierca.

Castro Visits International Medical Equipment Fair

FL2704005591 Havana Tele Rebelde and Cuba
Vision Networks in Spanish 0000 GMT 27 Apr 91

[Excerpt] Our Commander in Chief Fidel Castro has visited the "Health for All" international fair for medical equipment. Fidel expressed interest in the displays of the Reagent Materials and Genetic Engineering Institutes, among others. Twenty-two Cuban products obtained gold medals for quality. These included the Coramec, SUMA [Ultra Micro Analytic System] Model 100, [words indistinct], and the new model of the Cardiocid. The Cuban stand obtained a special prize in recognition of its design and originality. Likewise, 34 foreign products obtained gold medals, and the Italian company Farmavenda won the prize for the best stand. [passage omitted]

Basic Industry Ministry Awards Korean Workers

FL2704011591 Havana Tele Rebelde and Cuba
Vision Networks in Spanish 0000 GMT 27 Apr 91

[Text] Today the executive secretariat of the National Chemical, Mining, and Energy Labor Union [SNQME] and the Ministry of Basic Industry [Minbas] granted the (Rene Ramos Latour) decoration to 59 DPRK specialists who have worked in Cuba for the last two years. The decoration was given to the Korean internationalists at a solemn ceremony by Politburo member Pedro Miret Prieto, SNQME Secretary General Manuel Menendez, and Minbas Vice Minister Jesus Perez Othon. DPRK Ambassador to Cuba Comrade Pak Chung-kuk, Minister of Basic Industry Marcos Portal Leon, and other Minbas officials and workers were also present at the event.

Inter-Caribbean Affairs

Hunte Defends SLP Regional Assembly Boycott

FL2604164591 Bridgetown CANA in English
1613 GMT 26 Apr 91

[Text] Castries, St. Lucia, April 26, CANA—St. Lucia's opposition leader Julian Hunte says that his party supports the idea of integrating the 13-country Caribbean Community (Caricom) but not the current proposals to unite St. Lucia, Dominica, Grenada, and St. Vincent and the Grenadines.

"We... (of the St. Lucia Labour Party, SLP) await with interest.... the findings of the West Indian Commission, which we are certain will point the way to the realisation of the ultimate goal of Caribbean nationhood which we all share," he said. The West Indian Commission chaired

by former Commonwealth Secretary General Sir Shridath Ramphal is soliciting the views of Caribbean national^s on the future of the region as it enters the 21st century.

Hunte was on Thursday defending his party's boycott of the current session here of a Regional Constituent Assembly (RCA) which is advancing the idea of uniting the four countries. The SLP leader who is chairman the Standing Conference of Popular Democratic Parties (Scope), a largely opposition grouping, said the RCA session had not shown a willingness to accept opposition views to the proposed political union of the Windward Islands.

Hunte told reporters, "We are convinced more than ever that the main concern of the prime ministers.... is not really to listen to and respect the freely expressed opinions of the people of these four islands.

"If there was a genuine interest in hearing the voice of the people then opportunity would have been provided to allow the agenda of this meeting.... to be modified to allow for the expression of these views," he said.

Hunte charged also that despite announcements by the RCA that persons would be allowed to freely discuss the possible forms of integration the proponents have already chosen "the federal form."

"The minds of the people have already been made up for them. All the claims that the RCA allows for open dialogue and discussion are just a sham, and not even serious discussions of the issues raised are allowed," he said.

Hunte said that he was reiterating the position of his SLP to urge its supporters to vote against a political union in any referendum, adding, "We consider the political integration of the Windward Islands in the manner as proposed to be dysfunctional.

"We totally reject the argument which has been advanced by some proponents.... that the real objective of political integration is to assure the prospects for social and economic development....," he said. Scope is not boycotting the session as some parties support Windward unity although they disagree with the proposed format.

Haiti

Parliament Seeks Answers From Government Officials

FL2604121091 Port-au-Prince Radio Nationale
in Creole 1300 GMT 24 Apr 91

[Report by correspondent Roland Chery—recorded]

[Excerpts] [passage omitted] The Parliament was completely full. The senators received budget director Dick Jean-Charles, while the deputies received Prime Minister Rene Preval in the Lower Chamber.

When the Senate received Dick Jean-Charles, budget director at the Ministry of Finance and Economic Affairs, Senator Guy Bauduy, vice president of the Senate, and Senator Jean-Louis asked Jean-Charles about the bad budget policy of the government and its consequences because, according to them, the total salaries for employees exhausts 65 percent of the budget and the remaining 35 percent is intended for operational expenses.

Many ministries utilized the major portion of their budgets in a discriminating way with regard to the disbursement and distribution of the budget. The senators were therefore surprised, in view of the salary reductions which have occurred, to note a number of discrepancies. While the budgets of the State University Hospital, the health sector, and the education sector were simultaneously reduced, the Finance Ministry received an increase of 17 million gourdes [\$3,400,000] in the past year. According to Senator Bauduy, the budget director should make every effort to set all of that in order because.... [rephrases] According to Senator Bauduy: I cannot congratulate the budget director because he does not know how to put an end to all these scandalous expenses despite his power to decide.

They also discussed the internal loan that the government floated. The senators think revising the budget should have been the first task of the new finance minister within a week after she was appointed. How much money did the government receive from the internal loan? Only \$18 million was received. This represents nothing in relation to what is needed to move the country forward.

While this was going on in the Senate, in the Lower Chambers the deputies received Prime Minister Rene Preval. Prime Minister Rene Preval took advantage of this meeting to put forth four bills in the Lower Chamber. The first one concerns the commemoration of 26 April, which was dedicated [corrects himself] which must be dedicated as Martyrs Day. The second bill has to do with the organization of territorial communities. The third bill is about the organization of the Interior Ministry, and the fourth bill concerns the organization of the prime minister's office.

The prime minister came at the invitation of the deputies, who asked him to answer some of their questions on the budget policy of the government. Before they discussed the questions related to these bills, the hottest points in this meeting were about the budget of the Republic, which is not set forth clearly. Many points were discussed. [passage omitted]

The prime minister announced that before long the Chamber will receive a bill on revisions, which will be made in the budget of the Republic in order to meet the needs of the people.

French Ambassador Views Bilateral Cooperation

*FL2604161691 Port-au-Prince Radio Nationale
in French 1700 GMT 25 Apr 91*

[Report by correspondent Jean-Joseph Rony Paul in Cap-Haitien]

[Excerpts] [passage omitted] Mr. Jean-Raphael Dufour, French ambassador to Haiti, was subjected to many questions of concern to the Haitian people when he visited Cap-Haitien on the occasion of the inauguration of the French Alliance on 19 April. He was asked intelligent questions about the state of relations between Haiti and France. His answer to us was that relations are "excellent." [passage omitted]

[Begin recording] [Unidentified journalist] As you just said, this country's economic situation in particular is not outstanding, but could you possibly tell us about the extent of French economic cooperation with Haiti?

[Ambassador Dufour] Yes, if you wish. We keep going, we forge ahead. We have serious and concrete cooperation, cooperation that is not confined to talks, that is not confined to figures, to millions of francs that are displayed for propaganda purposes. We... [changes thought] What we are trying to do in Haiti is to achieve, to achieve, to participate in projects which favor the economic and social development of the Haitian people. It is a type of cooperation which has very numerous parts, which is going on now as I am talking to you. [passage omitted] [end recording]

French Sign Accord Totaling 7.5 Million Francs

*FL2604135091 Port-au-Prince Radio Metropole
in French 1600 GMT 25 Apr 91*

[Text] On 19 April, Renaud Bernardin, minister of planning and external cooperation, and Jean-Raphael Dufour, French ambassador to Haiti, together with Robert Sorbie, chief of cultural cooperation and action, signed two agreements totaling 7.5 million francs for aid and cooperation. The first agreement of 4 million francs is for the rebuilding of the bridge in Trou-du-Nord. This will provide better access to the main trunk road in the northwest region of Haiti. The project includes demolishing the old, irreparable structures and erecting a steel bridge for a roadway measuring 7.5 meters wide and 50 meters long with two 1.75-meter-wide sidewalks.

The second agreement of 3.5 million francs is for a study of roads encompassing the removal of enclosures [des-enclavement] in the Jeremie region in the southwest of Haiti. This study will provide examples of various roads in relation to technical and economic planning. Based on the results of the studies, the Haitian authorities will be able to determine the best possible roads.

ROK Government Provides Farming Equipment

*FL2604144091 Port-au-Prince Radio Nationale
in Creole 1300 GMT 25 Apr 91*

[Text] The Republic of Korea has donated farming equipment valued at \$99,000 to the Haitian Government. The equipment includes ploughs, wheelbarrows, pickaxes, and hammers. According to an embassy officer, the ROK Government provided the equipment within the framework of cooperation among poor countries. This grant will assist the poor peasant population in bringing desired changes in the country.

Netherlands Antilles

Parliamentarian for Reciprocity With Netherlands

*FL2604194091 Bridgetown CANA in English
1741 GMT 26 Apr 91*

[Text] Philipsburg, St. Maarten, April 26, CANA—A call by a Curacao-based organisation to abolish restrictions on the movement of Dutch nationals to the Netherlands Antilles has found support from Senator Will Johnson, Saba's representative in the federal Parliament in Curacao.

Senator Johnson said there is merit in the concerns of the organisation. The Committee for Equal Rights for all Dutch Citizens has begun a campaign aimed at the removal of the restrictions which prohibit free access to and the right to work in the Antilles.

"We all carry Dutch passports but we (Antilleans) have an advantage that we can travel to the Netherlands, live and work without any restrictions," said Johnson.

He expressed the fear that the present position leaves the door open for the Dutch Government to impose similar restrictions on Antilleans. Johnson said he will propose that Parliament sets up a committee to deal with the matter and submit recommendations. The removal of the law will not endanger the status of Antillean

nationals in the islands of Bonaire, Curacao, St. Maarten, St. Eustatius, and Saba, he said.

"I don't see a sudden horde of Dutch people coming here to settle or look for jobs. There are a few who are coming but we must expect that, because our people are going to the Netherlands and working. There must be reciprocity," said Johnson.

Trinidad and Tobago

Majority of Opposition UNC Executives Resign

*FL2604123591 Bridgetown CANA in English
1152 GMT 26 Apr 91*

[Text] Port of Spain, Trinidad, April 26, CANA—Almost all the executive members of the troubled United National Congress [UNC], a Trinidad and Tobago opposition party, have resigned. A statement from the party on Friday explained that the resignations were to give political leader Basdeo Panday "adequate space to enable him to resolve the current impasse."

The party's general secretary, Kelvin Ramnath, has stayed on, at Panday's request. The party said the political leader and general secretary would be empowered to call a national assembly to vote for a new executive.

The impasse in the party began soon after the executive was voted in last June. Supporters of Ramnath had claimed that Panday was ignoring them and was looking outside the executive for advice. This led to the resignations of Dr. Allan Mc Kenzie as deputy political leader and John Ackee as deputy chairman.

Panday told CANA that members unanimously agreed to tender their resignations and save the party from "mashing up." "My message to the supporters is that the temporary problem is over. Let's hit the road. We have a party to build and we have (general) elections to win," he said. At the assembly, the party will also deal with the issue of general elections, constitutionally due by March next year.

Senators Say ALC Would Not Solve Everything

PA2504191491 Mexico City NOTIMEX in Spanish
2144 GMT 23 Apr 91

[Text] Mexico City, 23 Apr (NOTIMEX)—Senators agreed today that the imminent free trade agreement [Acuerdo de Libre Comercio—ALC] with the United States and Mexico will not solve all of Mexico's problems.

Interviewed individually, Emiliano M. Gonzalez, president of the Grand Commission of the Senate of the Republic, Senate Trade Commission President Mario Niebla, and Senator Fernando Silva Nieto, a member of the trade commission, expressed the opinion that Mexico has other options for development.

The ALC is of great importance to the country's life, but "it is not the solution to all of the country's problems," Silva Nieto said, adding that if the agreement is not reached, "the country will not disappear, nor will the economy fall apart."

For his part, Emilio M. Gonzalez said that the signing of the agreement in no way implies a change in Mexican legislation or a redirection of foreign policy.

Mario Niebla expressed the opinion that the U.S. Congress is free to approve or reject the "fast track" [preceding two words in English] or expeditious path for negotiating the ALC, although he said that no matter what happens, Mexico will continue its overall plan of growth and diversification.

Niebla said in conclusion: The country has various alternatives for growth in the event that the fast track is not approved.

Trade Mechanisms To Be Formed With East Europe

PA2804022891 Mexico City NOTIMEX in Spanish
0344 GMT 24 Apr 91

[Text] Mexico City 23 Apr (NOTIMEX)—The Commerce and Industrial Development Secretariat (Secofi) has announced that in the next few months Mexico and

Eastern European countries will develop external trade financing mechanisms aimed at guaranteeing payments in goods and services.

The Secofi source stated that this agreement came about as a result of interviews held by the Mexican delegation accompanying Foreign Trade Assistant Secretary Pedro Noyola during his trip to Czechoslovakia.

Specific formulas will be pursued to guarantee payments approved by the European Bank of Reconstruction and Development.

Furthermore, the agreement seeks marketing specialists who know the Eastern European markets, such as the Germans, Austrians and Swiss.

Good use of compensation mechanisms will allow the export of high-quality international products at a reasonable price to Mexico in exchange for placing Mexican products in those markets.

During a meeting of the Mexican delegation, headed by Pedro Noyola, with Czechoslovak Trade Secretary Jiri Brabec, it was agreed to work jointly to carry out a program that will cover the following points:

Rapid and permanent communication mechanisms to maintain constant and fast communications that will permit the solving of bilateral trade problems and access to products that are exchanged in other markets.

Likewise, promotion of activities of both countries will take place by Mexico participating in specialized Czechoslovak fairs and the attendance of Czechoslovak specialists in Mexican fairs.

Both countries will seek to identify markets to increase foreign trade. At present, it has been determined to promote the textile, manufacturing, trolley-bus, cable and conductors, shoes, and pharmaceutical sector.

Finally, it was agreed that it is possible to develop successful cooperation ventures in bilateral commercial projects through investments that will allow taking advantage of economic blocs that are being formed in North America and Europe.

Costa Rica

Earthquake Forces Review of IMF Intent Letter

PA2604170091 San Jose Radio Reloj in Spanish
0100 GMT 26 Apr 91

[Text] The Costa Rican Government and the IMF plan to review their agreements. The emergency affecting the Limon Province will force the government to incur greater public expenses than predicted in the letter of intent signed with the IMF. In that regard, Finance Minister Thelmo Vargas announced that he and Central Bank Executive President Jorge Guardia will be meeting with IMF representatives beginning on 28 April.

Minister Vargas said that the fact the government will have more expenses than expected, regardless of the financial source, will be reviewed. To that end, the government must outline the expenses they would have incurred with and without the emergency.

Minister Vargas said that the deficit limits with the public sector will also be negotiated, as well as quarterly limits on debt and distribution of expenses. He added that in light of the emergency, it is possible that expenses will surpass the estimates agreed upon with the IMF.

The government's main financial sources prepared to face the emergency are the internal [word indistinct]—soft loans—which the government is primarily interested in, and market-rate loans which the government will try not to use. The need to include specific budget allotments for emergencies has not been ruled out, which could make it necessary to cut expenditures in other areas.

Minister Vargas stressed that despite the international aid we are receiving, Costa Ricans must continue helping the people of Puerto Limon as they have been doing.

President Signs Trade Agreement With Venezuela

PA2604182191 Hamburg DPA in Spanish 0310 GMT
26 Apr 91

[Text] San Jose, 25 Apr (DPA)—The governments of Costa Rica and Venezuela signed an overall free trade agreement in this capital today, opening Venezuelan markets to Central American products.

The agreement was signed by Presidents Rafael Angel Calderon of Costa Rica and Carlos Andres Perez of Venezuela during a stopover that the Venezuelan president made at the Juan Santamaria International Airport in San Jose on his way home from Nicaragua, where he attended the celebration marking the first anniversary of Violeta Chamorro's administration.

After highlighting the ties of friendship and solidarity that exist between Caracas and San Jose, Perez said that the agreement has an "extraordinary significance" for the region.

In this regard, Calderon, who is pro tem secretary for the Central American peace agreements, will present the overall agreement to his colleagues from the area at the next regional summit, scheduled to be held in El Salvador in June, with an eye to making the agreement extend to the entire area.

"What this means is that the agreement will open the doors of the Venezuelan market to products from Costa Rica and the other Central American countries," Perez said. In addition, Perez agreed to Calderon's request that Venezuela grant Costa Rica a loan of 1.1 billion colons (some \$10 million) to repair pipelines, hospitals, and clinics damaged by the earthquake that devastated the Costa Rican Atlantic coast on Monday.

Calderon said that the president also agreed to a request that Venezuela deposit in the Costa Rican Central Bank \$35 million that the World Bank is going to disburse in payment of a stopgap loan that Costa Rica contracted with Caracas last year as part of an arrangement to repurchase Costa Rica's commercial debt. Calderon said that having that money deposited, with very favorable terms, will help to beef up the country's foreign reserves.

The Costa Rican president also announced that the Venezuelan Investment Fund has approved a credit of 2 billion colons (some \$18 million) to build a strategic bridge in northwestern Costa Rica. Perez, who was scheduled to begin a two-day visit to San Jose on Tuesday, changed his schedule because of the emergency situation prevailing in Costa Rica.

El Salvador

'Text' of the 'Mexico Declaration' Broadcast

PA2804181791 San Salvador Radio Cadena YSU
in Spanish 1300 GMT 28 Apr 91

["Text" of "The Mexico Declaration" signed by the Salvadoran Government and the Farabundo Marti National Liberation Front (FMLN) in Mexico City on 27 April; read by unidentified station announcer]

[Text] The Salvadoran Government and the FMLN, hereafter referred to as the parties, reiterate their intention to advance quickly toward the restoration of peace, national reconciliation and the reunification of Salvadoran society. This is the common desire of the Salvadoran people as expressed by both parties in the Geneva Agreement of 4 April 1990.

The parties believe that the peace talks being held in accordance with the same Geneva Agreement and the Caracas Agenda of 21 May 1991 require several constitutional amendments that will include the political agreements derived from those talks.

The parties are aware of the fact that it is critical to present to the Legislative Assembly, whose mandate expires on 30 April 1991, the constitutional amendments on which they have reached agreements, even if those

agreements are partial and do not thoroughly cover the subjects under the terms specified in the Caracas Agenda.

The parties believe that several matters on which agreements have been reached can be implemented through secondary legislation [a traves de la legislacion secundaria] or new political agreements to expand the text of the Constitution.

The parties have reached the agreements summarized below that include constitutional amendments on matters requiring secondary legislation or other political agreements.

I. Armed Forces

1) Agreement on constitutional amendments with the following objectives:

A) Clearly defining the Armed Forces' subordination to civilian power.

B) Creation of a National Civil Police to maintain peace, tranquility, order and public security both in urban and rural areas under the direction of civilian authorities. It is fully understood that the National Civil and the Armed Forces will be independent and under different ministries.

C) Creation of a state intelligence agency independent from the Armed Forces and under the direct authority of the president of the Republic.

D) Redefining military justice to ensure that it will only handle strictly military legal cases.

2) Other subjects discussed at the negotiating table were submitted for secondary legislation or will be part of the overall political agreements on the Armed Forces. Those subjects include:

A) Paramilitary groups

B) Military conscription

C) Aspects related to the management of state security and intelligence agencies

D) Aspects related to the members of the Armed Forces and the National Civil Police

E) Special emphasis during the professional training of members of defense and public security agencies of the importance of human dignity and democratic values, respect for human rights, and the subordination of those bodies to constitutional authorities.

These aspects do not include other pending matters regarding the Armed Forces on which the parties reaffirm their willingness and hope to reach overall agreements in the next phase of the negotiating process.

II. Judicial System and Human Rights

1) Agreement on constitutional amendments aimed at improving significant aspects in the judicial system and establishing mechanisms to guarantee respect for human rights, such as:

A) Reorganization of the Supreme Court of Justice and new ways to elect its magistrates. Hereafter, a majority of $\frac{2}{3}$ of the deputies elected to the Legislative Assembly will be necessary to elect the magistrates of the Supreme Court of Justice.

B) The judicial branch will be assigned an annual percentage of the state budget that shall be no less than six percent of the current income.

C) Creation of a national attorney for the defense of human rights, whose main mission will be promoting human rights and ensuring that they are respected.

D) Election of the attorney general and the national attorney for the defense of human rights by $\frac{2}{3}$ of the deputies elected to the Legislative Assembly.

2) Other subjects discussed at the negotiating table were submitted for secondary legislation or other political agreements, although the overall political agreements on the judicial system agreed upon by the parties in the Caracas Agenda are still pending negotiation. The following agreements were reached during the current round of talks:

A) National Judicature Council [Consejo Nacional de la Judicatura]: It was agreed to redefine the structure of the National Judicature Council to guarantee its independence from the government branches and political parties. It will not only be comprised of judges, but also of sectors of society not directly related to the administration of justice.

B) Judicial Training School [Escuela de Capacitacion Judicial]: The National Judicature Council will be responsible for the organization and functioning of the Judicial Training School, whose objective will be to ensure the continuous improvement of the professional qualifications of judges and other judicial officials.

C) Judicial Career [Carrera Judicial]: Secondary legislation will permit the initiation of the judicial career through mechanisms to guarantee an objective selection process, equal opportunities for applicants, and the aptitude of those selected. Those mechanisms will include open competition and going through the Judicial Training School.

III. The Electoral System

1) Agreements on constitutional reforms aimed at:

A) The creation of the Supreme Electoral Tribunal [TSE] in replacement of the Central Electoral Council [CCE].

The TSE will be the highest administrative and legal authority in electoral matters. It has been agreed that its

composition will be established by secondary jurisdiction [jurisdicción secundaria] so that no party or coalition of parties may have predominance over it.

It has also been agreed that the TSE will be composed of members with no political affiliation and who will be elected by a Legislative Assembly majority.

B) It has been agreed also that legally-registered parties will have the right to scrutinize the elaboration, organization, publication, and modification of the Electoral Registry.

2) Other matters that were introduced at the negotiations were referred for handling with basis of the secondary jurisdiction agreement and other political agreements.

Despite the fact that the political agreements on the Electoral System that were discussed in Caracas have yet to be negotiated, the following agreements were reached during this round of negotiations.

A) The Electoral Registry must be planned in such a way that the lists of citizens entitled to vote may be published at least 20 days before election day. Simple and expeditious procedures will be established to process correction requests legitimately filed by interested parties.

B) A special commission presided over by the TSE will be created 60 days after the installation of the TSE. The special commission will be composed of representatives of all the legally-registered parties. This commission may include independent experts to draft a general project of reforms to the electoral system.

IV. The Commission of Truth

It has been agreed to create the Commission of Truth. It will be composed of three persons to be appointed by the secretary general of the United Nations once the parties' [las partes] opinion in this regard is heard. The commission will elect its chairman. It will be in charge of investigating grave acts of violence occurred since 1980. The people urgently want the truth to be made public.

The commission will take into consideration the following:

A) The importance that the events to be investigated may have, the characteristics and consequences of these events, and the social commotion those events produced.

B) The need to develop confidence on the positive changes that the peace process is promoting and to encourage the transition toward national reconciliation.

The characteristics, functions, authority, and other matters related to the Commission of Truth are stated in the corresponding annex document.

Final Statement

The parties are leaving on record that the above document is a summary of the most important political

agreements reached during the round of negotiations that took place in Mexico D.F. from 4 April 1991 until today.

This summary in no way may lessen, subordinate, or contradict the authentic text on all the agreements reached, which are being added to this document as annexes. The parties hereby affirm their commitment to carry out all the necessary actions to fully implement what has been agreed on.

The Government of El Salvador, in particular, has solemnly committed itself to promoting at the legislature the approval of the constitutional reforms agreed on by the parties during this round of negotiations.

Matters related to the ratification of these reforms will be considered during the negotiations taking place in the framework of the calendar for the implementation of future agreements.

The parties have committed themselves to continue the negotiations in the framework of a fixed agenda that will give continuity to the discussions on the issues agreed on in the Caracas Agenda to reach a political agreement on the priority Armed Forces issue and to secure the necessary agreements to produce a cease-fire under UN verification.

These negotiations will require careful preparation based on the important work that has been carried out in recent months, especially in recent weeks.

This preparation is inherent to the negotiations process, so it must not be concluded that the negotiations process has been interrupted. There are plans for holding a brief direct meeting of an organizational nature in early May, and for renewing indirect negotiations during the second half [time not further specified].

As usual, neither the date nor the place of the negotiations will be announced beforehand.

Unilateral Declaration by the FMLN

The FMLN has left on record that the part of Article 211 that refers to the Armed Forces as a permanent institution is not in line with the FMLN's position and has established that this point is pending on constitutional reforms negotiations that include the demilitarization issue, Article 105—which deals with limits on the ownership of uncultivated land—and the need to implement constitutional reform mechanisms, be it through the reforming of Article 248 or through other procedures, such as a plebiscite. The FMLN is maintaining its position on these points.

Mexico City, 27 April 1991

This document was signed, for the Salvadoran Government, by:

Dr. Oscar Santamaria, Colonel Juan Martinez Varela, Colonel Mauricio Ernesto Vargas, Dr. (David Escobar Galindo), Dr. Abelardo Torres, and Dr. Rafael Hernan Contreras.

The signers in representation of the FMLN were:

Commander Shafik Handal, Commander Joaquin Villalobos, Salvador Samayoa, member of the FMLN Political and Diplomatic Commission; and Ana Guadalupe Martinez.

Alvaro de Soto, representative of the secretary general of the United Nations, also signed this document which has been called: The Mexico Declaration.

Arena President 'Optimistic'

PA2704023891 San Salvador Canal Doce Television
in Spanish 0300 GMT 26 Apr 91

[Text] Nationalist Republican Alliance [Arena] President Armando Calderon Sol voiced optimism with regard to the progress made so far in the round of negotiations taking place in Mexico. He said that the conditions exist to end the fighting in the country since progress has been made on constitutional amendments, electoral matters, and the Armed Forces.

[Begin Calderon recording] I believe that the conditions exist to end the fighting and the violence in the country. I think the fighting is senseless; it is unjustified. Peace is a heartfelt need of the people. There is no room for violence in the country. I hope peace will come about. I am optimistic and hope that, at the fast pace things are developing, a breakthrough will be achieved. [end recording]

The Arena president also said that the proposal submitted by the political parties to the government and guerrilla delegations in Mexico constitutes an important step in the peace process.

[Begin Calderon recording] Much has been said about reforms in the military and the administration of justice. I believe the political parties are seeking the betterment of Salvadoran society, while strictly adhering to the Constitution. To submit specific reforms, based on Article 248 of our Constitution falls within the framework of the Constitution. [end recording]

Calderon Sol noted that the Legislative Assembly will continue to discuss the package of amendments to the Constitution to approve it before the current legislature concludes. The politician said that there is no longer any reason to continue the violence in the country. He made his remarks after receiving his credentials as mayor for the next 3-year mandate from San Salvador's electoral and municipal board. The board also handed credentials to other municipal officials.

Rebel Commanders View Talks

PA2804044091 Mexico City NOTIMEX in Spanish
0330 GMT 27 Apr 91

[Text] Mexico City, 27 Apr (NOTIMEX)—The opportunity to begin structural changes exists, Commander Shafik Handal said today after the conclusion of 24 days of negotiations between Alfredo Cristiani's government and the insurgents.

Handal and Joaquin Villalobos, members of the General Command of the Farabundo Marti National Liberation Front (FMLN), explained that the agreements reached here today are important, although they are not final.

Both rebel leaders stated that "the Mexico declaration" to create the "truth commission" will be responsible for investigating impunity, which has characterized the role of the Armed Forces in their country.

Handal and Villalobos said that the agreements reached in the negotiations "are the result of the struggle, [words indistinct] FMLN fighters to attain justice and democracy in El Salvador."

Shafik Handal stated that the struggle of generations of Salvadorans against the furious reactionary position of the government and the Army has finally prevailed. This will allow society to reach better levels of progress and modernization, he continued.

Villalobos said, however, that all the issues of the negotiations have not been discussed, because the issue of the Armed Forces and the ensuing purge of the paramilitary corps and the demilitarization of the country are still pending.

Asked whether the FMLN has given "something in return" in order to attain agreements at the talks with the government in Mexico, Commander Handal pointed out that it is not a matter of fairness, but the desire of the Salvadoran people to change the existing structures in El Salvador.

Villalobos explained, however, that the FMLN accepted taking the issue of the cease-fire to the next round of negotiations, although he noted the fact that the insurgents may lay down their weapons is not subject to discussion, because the government "does not have the moral or political authority to raise the issue."

[Words indistinct] will be more important for the life of his country, because after analyzing different issues that are still pending, the situation that the country may be experiencing at that time should be taken into consideration.

In addition, Handal said that it will be very important to review Article 105 of the Constitution, which deals with land ownership. He added that this issue has become an obstacle to agrarian reform in El Salvador.

Handal and Villalobos said that the solution to the armed conflict in El Salvador will only be attained after the causes that originated the conflict are eliminated.

The FMLN commanders also highlighted that all sectors of Salvadoran society had focused on the negotiations in Mexico to see to what degree the armed conflict in El Salvador could be overcome.

Finally, both rebel leaders thanked the government and people of Mexico for providing the facilities necessary to carry out this round of discussions, which achieved positive results.

UN Mediator Optimistic

PA2804041291 Mexico City NOTIMEX in Spanish
0213 GMT 28 Apr 91

[Text] Mexico City, 27 Apr (NOTIMEX)—The agreements between the Salvadoran Government and guerrillas, following 24 days of negotiations here, have paved the way for peace in the country, Alvaro de Soto, UN mediator at the talks, stated here today.

De Soto, who is the representative of UN Secretary General Javier Perez de Cuellar, added that the agreements signed by the government and guerrilla representatives have an intrinsic value and will lend a greater impetus to the negotiations.

He said that in principle, the objectives of the negotiations were more ambitious than those achieved, but reiterated that the constitutional reforms will bring success to the negotiations.

The UN diplomat, however, did not give details of the package of constitutional reforms agreed upon today and which must be approved by the current Legislative Assembly, which concludes its term on 30 April.

He said that the participants have transferred responsibility to President Alfredo Cristiani so that he can send the agreements to the Assembly in the next 48 hours.

De Soto said that government and Farabundo Marti National Liberation Front (FMLN) representatives agreed to emphasize this round of negotiations, which will be continued within a specific agreement on the Armed Forces and cease-fire under UN supervision.

As for the Armed Forces, he said there will be a redefinition of the Army's subordination to civilian power, and announced the creation of the civil police, which will provide urban and rural security.

On the same point, Alvaro de Soto explained that efforts are being made to achieve an agreement so that both the army and civil police can [word indistinct] to different civil branches.

Regarding the proposals submitted by the different political parties of El Salvador to those participating in the

negotiations, he said there were no contradictions, but admitted that, in a sense, "they covered a little more ground."

The negotiations will continue during the first two weeks of May, he said, but it must not be thought in any way that the negotiations have been interrupted.

At the same time he continued by saying that, as usual, the date and place of the next round will not be announced until the eve of the talks.

Lastly, Alvaro de Soto said that in this round of talks, the parties involved displayed their desires to reach agreements and expressed their awareness of the need to be successful. This opens irreversible perspectives for El Salvador, after more than 11 years of armed conflict.

Colonel Vargas Views Talks

PA2704223491 Madrid EFE in Spanish 2106 GMT
27 Apr 91

[Text] Mexico City, 27 Apr (EFE)—The peace talks between the Salvadoran Government and guerrillas have ended "successfully," Colonel Mauricio Vargas, deputy chief of staff of the Salvadoran Armed forces, announced today. He said that the dialogue will be resumed before 15 May.

"The negotiations have ended successfully, but perhaps not as successfully as we would have liked," Vargas, a member of the government delegation that engaged in talks with the "Farabundo Marti National Liberation Front," stated.

In the talks "there have been specific agreements, specifically on the Armed Forces, the electoral system, the judicial system, and on constitutional reform," Vargas said in an exclusive statement to EFE.

The colonel said that "there was always the hope that specific agreements would be reached on the fundamental aspects, above all to achieve the continuity of the process, which should not be interrupted."

"The goals at the outset were ambitious. One can say that the process has been successful, because success has been accumulating for almost a year," Vargas stated. "We have held approximately 16 meetings. The reason I say that success has been accumulating is because of everything that has been achieved in the rounds of negotiations, which permit us to get closer to peace" he added.

"The next round of talks will be before 15 May," Vargas said, noting that we "will only take a short break and continue to negotiate." At that meeting, attention will be centered on the reforms of the Armed Forces and the cease-fire, Vargas said. He added that "when agreements are reached on these points it will be the culminating phase of the first stage of negotiations."

The military officer added that "peace cannot be achieved through decree or through agreements; peace requires a serious and responsible commitment."

Expressing his view on the round of talks which began in this capital on 4 April, the colonel said it had been "very hard" and there had been difficult moments. But the most important thing, he said, "is that we achieved continuity in the negotiations. We are working to build a democratic society for tomorrow. We are making the most utmost effort to secure peace seriously and responsibly," he stated.

In the process "there have also been moments of reflection which have permitted us to reach specific agreements," Vargas said, adding that in the peace process "there have been neither victors nor vanquished, because the Salvadoran people are the ones who have won."

"The Salvadoran people need peace and tranquillity. We hope that through these negotiations the important objectives of the people can be fulfilled," the military officer added.

Also, Col. Vargas expressed his appreciation to Mexico, which was the seat of this round of peace talks. "We are very grateful to the Mexican Government and people. It is written in Salvadoran history that Mexico is a fundamental part of the efforts to achieve peace in our country."

Assembly Closes Session; No Mention of Amendments

PA2804211591 San Salvador Canal Doce Television in Spanish 0300 GMT 27 Apr 91

[Text] The Legislative Assembly closed its sessions on 26 April with a solemn ceremony attended by representatives from the three government branches. No reference was made to the constitutional amendments that were to be approved in the next few hours.

Although the package of constitutional amendments presented yesterday is still pending approval, the Legislative Assembly closed with a solemn ceremony headed by Arena's [Nationalist Republican Alliance] Ricardo Alvarenga Valdivieso.

[Begin Alvarenga recording] I would like to express to my colleagues my sincere gratitude for their firm support during this legislative period, the purpose of which was passing legislation, as expressed by the members of this Assembly, with faith in God and a determination to forge the fatherland's destiny exercising the sovereign authority entrusted to us by the people. [end recording]

Present at the solemn ceremony were representatives from the three government branches, ambassadors, members of the Central Electoral Council, ministers, and other personalities. However, in his closing speech, Alvarenga did not say a word about the package of amendments that supposedly must be signed before 1 May in order to implement the expected constitutional changes.

[Begin Alvaranga recording] We complied with our duty to legislate, convinced that the democratic process is and continues to be the path toward peace, progress, and liberty. [end recording]

The solemn ceremony consisted only of the outgoing president's speech and the usual homage to the fatherland's symbols. No call was made for another session, which has created uncertainty as to the date or time for the debates and approval of the constitutional amendments.

Cristiani: Rebels Incomprehensible

PA2704220591 San Salvador Canal Doce Television in Spanish 0300 GMT 27 Apr 91

[Report by Ernesto Rivas]

[Text] President Alfredo Cristiani today described the FMLN [Farabundo Marti National Liberation Front] attitude at the negotiating table as incomprehensible. In rejecting the constitutional amendments, the FMLN is showing little political commitment to end the armed conflict, Cristiani said.

President Cristiani described the document that four political parties delivered to the dialogue commission as a commendable peace effort. According to Cristiani, this document deals at length with each of the topics that have been discussed for over a year. The FMLN unhappiness is typical of them, although things may be moving along fine.

[Begin Cristiani recording] The FMLN is never satisfied, since they are known for always wanting to gain more and more advantages. I do think the [words indistinct] I think that if they do [words indistinct] to end the conflict, they cannot reject the constitutional amendments. [end recording]

On the matter of the dialogue, he was optimistic major agreements can be made, although this is not easy when the topic discussed is the Constitution of a country. The dialogue and the specific points of discussion require a great deal of analysis and review. Decisions must not be made based on a whim, considering that political conditions exist.

[Begin Cristiani recording] The peace process seeks to show we have the political conditions to settle our problems without resorting to violence and fighting. [Words indistinct] as I have said, within a democratic process. We have no dual powers here. We have the Armed Forces, and the FMLN is an unconventional armed group. [Words indistinct] outside the law. That does not entitle them to ask for whatever they want. [end recording]

Cristiani felt the war will end whenever the FMLN wants it, since the government is fully prepared to end all hostilities when the guerrillas end the aggression they have been carrying out for the past 11 years.

Ponce on Constitutional Changes

PA2704215591 San Salvador Radio Cadena
Horizonte in Spanish 1800 GMT 27 Apr 91

[Report by Alexis Diaz; passages within quotation marks are recorded]

[Text] The Armed Forces support the changes to the Constitution, General Rene Emilio Ponce, defense and public security minister, has said. However, he warned that such changes will not end the war, adding that the security corps will be placed under civilian authority once a cease-fire agreement has been reached.

Gen. Rene Emilio Ponce said that the Armed Forces will not allow the security corps to be placed under civilian authority so long as the government and the guerrillas, which are negotiating an end to the armed conflict, have not attained a cease-fire agreement. Ponce stressed that the Armed Forces are convinced that the police corps should be placed under civilian authorities. However, he added that this will only be possible whenever both sides have attained a cease-fire agreement, and not as long as the threat of more violence by the rebels continues to exist in the country.

[Ponce] "For a long time, the Armed Forces have been convinced that the security corps should be placed under civilian authority. Not only this, but one of these corps was created at the Interior Ministry and the other at the Finance Ministry. Thus, this is nothing new.

[Unidentified reporter] "Do you agree with placing the security corps under civilian authority, even if a cease-fire has not been attained?

[Ponce] "Definitely not. We cannot break the chain of command when the country is still living under threats, aggression, and the constant terrorist violence of the FMLN [Farabundo Marti National Liberation Front]. The process of going from a military to a civilian-type organization would have to be done in a gradual manner."

The Armed Forces support changes to the Constitution, as has been proposed by the four political parties that form the Legislative Assembly, said Defense Minister Ponce. However, he described the possibility that the changes to the Constitution are going to end the armed conflict as illogical.

[Ponce] "To really say that constitutional reform is going to end the conflict is illogical. An initial firm and strong step to promote peace in El Salvador, as established by the Caracas agenda, would be to attain a cease-fire agreement."

Gen. Rene Emilio Ponce said that the Armed Forces are willing to respect a cease-fire agreement signed by the belligerent parties. However, he said that it is up to the FMLN to cease hostilities.

[Ponce] "We, as part of the government, are prepared to attain a cease-fire by tomorrow. What we need is that the FMLN show its willingness for a cease-fire."

Ponce does not recognize the existence of a rebel army, saying that the FMLN is only an irregular force. He stated that the Armed Forces maintain absolute control throughout the national territory. He ruled out the possibility that the FMLN can control any area of the country. The FMLN is an irregular force that has launched an aggression against the people, stressed Defense Minister Ponce. He also blamed the guerrillas for the armed conflict, adding that the Armed Forces will continue to defend the system and the population in general.

Union Members Oppose Reforms

PA2704015191 (Clandestine) Radio Venceremos
in Spanish to El Salvador 0200 GMT 26 Apr 91

[Text] Hundreds of National Union of Salvadoran Workers [UNTS] members have gathered in front of the Ula-Ula Square to protest the proposal submitted by four political parties at the negotiations [in Mexico].

The UNTS members said that Cristiani, the Armed Forces High Command, and the ultra-rightwing elements are attempting to prolong the war by another three years by opposing concrete agreements at the negotiation table.

[Begin unidentified speaker recording] We continue our efforts to achieve peace because we know that the Salvadoran conflict calls for a negotiated solution. We have said on many occasions that the Salvadoran conflict would become worse in the event there are no concrete agreements at the negotiation table. We have also said that the person, or persons, responsible for the continuation of the war are Alfredo Cristiani, the Armed Forces High Command, and El Salvador's ultra-rightwing forces. [end recording]

These groups are under domestic and international pressure to negotiate a conclusive peace agreement characterized by social justice. A group of U.S. citizens stated in our country that they will again ask the U.S. Congress to suspend all U.S. military aid to the Salvadoran Army. The U.S. citizens added that 80 congressmen and senators are sponsoring a draft bill to suspend U.S. military aid to El Salvador.

Zamora Rejects Amendments

PA2804014491 San Salvador Canal Doce Television
in Spanish 0300 GMT 27 Apr 91

[Report by Elizabeth Lemus]

[Text] Democratic Convergence leader Ruben Zamora rejected again today the reform package submitted by the four political parties represented in the Legislative Assembly to the government and FMLN delegations in Mexico. He felt the amendments do not help the peace

process; on the contrary, the Constitution is being used to divide Salvadorans rather than to promote understanding in the country.

[Begin Zamora recording] Our objection to the proposals made by the four political parties is that they have adopted a stance that represents the Arena [Nationalist Republican Alliance] stance. In this respect, we deem it unacceptable for political parties like MAC [Authentic Christian Movement] and PCN [National Conciliation Party] to yield to the Arena stance. We cannot understand how the Christian Democratic Party [PDC] leadership could have totally yielded to Arena.

We cannot understand how the PDC, which together with us has been pressing for the end of paramilitary groups, can be silent on this aspect in the constitutional amendments it is submitting. [end recording]

The political leader also flatly rejected the reinstatement of the death penalty, as Arena will propose in the near future for the Legislation and Constitutional Affairs Commission to study and for eventual approval.

[Begin Zamora recording] The Arena initiative reveals two characteristics of that party. It shows its repressive nature. It wants to solve social problems with a firing squad. It does not want to solve the problem of justice. The bill shows the party's repressive measures. It also shows the ignorance of these men. It seems they forgot that a few years ago El Salvador ratified the American Convention on Human Rights. If I am not mistaken, the convention's Article 4 clearly states no country can reinstate the death penalty or expand it to cover other offenses.

He said that should the death penalty law be reinstated, the government would have to reject the American Convention on Human Rights, which would make El Salvador the first country in the world to denounce an international human rights organization. The death penalty law ceased to exist on 15 December 1983, when the current Constitution went into effect.

Rebels Decry Proposed Reforms

PA2704165991 San Salvador Radio Cadena YSKL
in Spanish 1200 GMT 27 Apr 91

[Text] The Farabundo Marti National Liberation Front [FMLN] guerrillas have stated that the constitutional amendments submitted on 25 April by the political parties in the Legislative Assembly do not take away from the Salvadoran Armed Forces any of the attributes that in the past legitimized their criminal dictatorship. In a communique delivered to the media, the FMLN said the reforms do not introduce any effective mechanism to subordinate the Armed Forces to civilian authority.

FMLN and government delegations have been meeting in Mexico City since 4 April to reach a peace agreement and end the civil strife that has claimed 75,000 lives and caused economic losses totalling \$4 billion since 1979. The amendments keep intact in the Constitution those

undue attributes of the Armed Forces, which traditionally have resulted in the military's control over civilian society and the government.

The FMLN communique stated that the above-mentioned changes do not exclude or at least define the circumstances and the means with which the president can order the Armed Forces to maintain domestic order and do not create the possibility of eradicating in the coming years the impunity the military now has. The FMLN added that the amendments do not introduce the necessary changes to eliminate the causes that led to the armed conflict and do not establish the means to introduce those changes in the next three years through a constitutional procedure, as a result of the talks. The rebel group said that these proposals serve to hide apparent effective measures to strengthen the interests of the ruling rightist Nationalist Republican Alliance, ARENA, and the Armed Forces. The communique added that the reforms it is promoting at the peace talks seek to introduce aspects contained in most Latin American constitutions and countries regarded as developed from a democratic standpoint. The rebels felt the proposals submitted at the Legislative Assembly do not significantly change the causes that make the current electoral system biased, inefficient, and inappropriate, as was seen in the past rigged elections. It also stressed that the parties' proposals ignore the possibility of doing away with constitutional restrictions that prevent the people from fully exercising their sovereignty and diminish the possibilities of making important changes in the current constitutional system.

Various Groups Reject Proposal

PA2704194891 (Clandestine) Radio Venceremos
in Spanish to El Salvador 0200 GMT 26 Apr 91

[Passages within quotation marks are recorded]

[Text] Social groups and political parties continue to criticize a proposal on constitutional amendments submitted by four political parties during the ongoing negotiations in Mexico. Members of the Permanent Committee on the National Debate on Peace said that the political parties' proposal on constitutional amendments only favors the position of the government and the Armed Forces:

[Unidentified speaker] "The package of amendments submitted by the political parties seeks to give power to the Armed Forces. It does not, in any way, seek to reform the Armed Forces, but it gives absolute power to them. It also seeks to give power to the president of the republic to allow him to again repress Salvadorans at any given moment."

The National Democratic Union [UDN] believes that the document is part of an Arena [Ruling Nationalist Republican Alliance] strategy against the Farabundo Marti National Liberation Front [FMLN] at the negotiating table that aims to discredit the FMLN position:

[Unidentified speaker] "The Cristiani Government allowed itself to be caught in the web of the extreme rightwing and in doing so, decreased its negotiating power. Therefore, it needed this maneuver to emerge victorious—it is already 24 April—and to show that the FMLN, not the government, is the one unwilling to reach agreements."

As for the Christian Democratic Party's support for this document, the UDN's Mario Aguinada Carranza said:

"For example, it is known that a negotiation is already under way to elect Fidel Chavez Mena as Legislative Assembly president. Signing that document to support constitutional amendments emanating from Arena or the government, we could say, in political lingo, is like passing a bill."

Rebels Claim Responsibility for Downing UH-1's

PA2704155591 *Paris AFP in Spanish 0502 GMT 27 Apr 91*

[Text] San Salvador, 26 Apr (AFP)—The Salvadoran guerrillas today issued a military bulletin claiming credit for the downing of the two armed Air Force helicopters that crashed Thursday on Lake Suchitlan, 50 km north-east of San Salvador, killing the four officers manning the aircrafts.

Radio Venceremos, mouthpiece of the Farabundo Marti National Liberation Front [FMLN], stated in the military report that the two U.S.-made UH-1H helicopters were downed by rifle fire from guerrilla units near the lake—an artificial basin that feeds the Cerron Grande Hydroelectric plant, the country's largest hydroelectric plant.

The Air Force reported Thursday that the first helicopter fell when it crashed against the lake's surface because of poor weather conditions and that the second helicopter suffered mechanical problems while attempting to rescue the crew from the first helicopter.

The rebel station claimed, however, that the first aircraft had been participating in the counterinsurgency operation that combined Army and Air Force units have been carrying out since 29 March to recover areas under rebel control. The helicopter was flying low to evade a possible attack with antiaircraft missiles when it was hit by rifle fire, the rebel report said.

The report noted that two hours after the first helicopter was downed, a fleet of helicopters arrived in the area to rescue the crew but one of these aircraft was hit by rebel rifle fire and it also crashed into the lake.

Rebel Radio on Crashes

PA2704212591 (*Clandestine*) *Radio Venceremos in Spanish to El Salvador 0200 GMT 27 Apr 91*

[Text] At 0900 on 25 April, National Army for Democracy soldiers patrolling the Suchitlan Lake border, at the

Zacamil farm, fired at a UH-1M [as heard] Air Force helicopter. This helicopter immediately crashed into Suchitlan Lake, which destroyed the aircraft, killed its two officer-pilots, and left two gunners injured.

Afterward, at 1115, at the Plataneros and Palo Blanco areas, antiaircraft fire was opened up against helicopters that were on a rescue mission for the downed helicopter. Our antiaircraft struck one of these helicopters, which ran the same fate as the previous one—it fell into Suchitlan Lake. Another two officer-pilots were killed in this second helicopter.

This makes a total of four officers killed and two expensive helicopters that were downed. These helicopters were downed while General Rafael Antonio Villamariona's tactics were being implemented—flying low to avoid missiles. They avoided the missiles but not the rifles.

We must stress that the downing of these two helicopters has taken place in the midst of a large Armed Forces operation taking place in territories controlled by our Modesto Ramirez Front—both in Chalatenango and Guazapa. It seems that Villamariona's tactics are back-firing and the helicopters are turning into sunken ships.

Air Force Denies Claim

PA2704215391 *San Salvador Radio Cadena YSU in Spanish 1730 GMT 27 Apr 91*

[Report by Julio Ernesto Rodriguez]

[Text] General Rafael Villamariona, Salvadoran Air Force commander, today denied the Farabundo Marti National Liberation Front [FMLN] had downed the helicopters that crashed in Suchitlan Lake. The military chief rejected the FMLN report claiming responsibility for this action. He said the aircraft crashed due to mechanical problems and were not hit by the rebel anti-aircraft fire. On Thursday, 26 April, four Salvadoran pilots perished in Suchitlan Lake, located between Cuscatlan and Chalatenango Departments, when their UH-1H helicopters crashed in the lake.

[Begin Villamariona recording] That is what is said, but the guerrillas had nothing to do with it. This was an accident. The first accident was caused by a faulty engine, and the second accident was perhaps caused by Thursday's atmospheric conditions. The pilots had to fly very low and crashed as they were flying over the lake. [end recording]

Villamariona said the aircraft are always undergoing inspection by the Air Force's technical crew. This accident, the second one so far this year, is something that cannot be predicted, because the helicopters are machines that can become faulty at any time, he said.

The Air Force commander did not rule out the possibility that soldiers from the military base may fly to

Costa Rica to participate in operations to rescue people hurt by the strong quake that shook that country's Atlantic coast.

[Begin recording] [Villamariona] The aircraft are inspected daily, and they are airworthy. However, machines can fail at any time.

[Reporter] [Words indistinct] Air Force staff to help [words indistinct]?

[Villamariona] Not right now. If the Costa Rican Government needed it, we could send a team of experts to help in rescue and reconstruction operations. [end recording]

Villamariona was also asked if he was going to be removed from his post, as rumors circulating in military circles indicate. He replied the decision is up to the top military command.

Guatemala

Government, Rebels Agree To Proceed With Parley

PA2704024791 Paris AFP in Spanish 0136 GMT
27 Apr 91

[Text] Mexico City, 26 Apr (AFP)—At the end of their first formal meeting today, the Guatemalan Government and guerrillas promised "to embark on a process of negotiations that will bring about, as soon as possible, the signing of a firm and lasting peace agreement."

The two sides agreed on the procedures to hold future meetings and they promised "not to unilaterally abandon the process of negotiations," in a document released at the end of this meeting. The meeting began on 24 April.

The topics to be discussed in the forthcoming meetings include democratization and human rights, strengthening of civilian authority, the role of the Army in a democratic society, identity and rights of the Indian population, constitutional reforms, and electoral reforms.

The two sides will also discuss the agrarian situation, resettlement of communities uprooted by the armed conflict, conditions for the return of the Guatemalan National Revolutionary Unity (URNG) to civilian life, and steps toward a definitive cease-fire.

The next meeting will be held in the second half of May at a country still to be determined—it is mentioned that it could again be Mexico—and the first three points of the agenda will be addressed at that meeting.

According to Monsignor Rodolfo Quezada, head of the National Reconciliation Commission and moderator of this meeting, the results "surpassed our expectations."

The Mexico statement was released by Quezada, UN observer Francesc Vendrell, Gaspar Ilom for the URNG,

and Manuel Conde for the Guatemalan Government. They all agreed that the results of the meeting were satisfactory.

Conde, secretary general of the Guatemalan Presidency, said that "the URNG's desire to find a solution to the conflict was admirable."

Ilom (son of writer Miguel Angel Asturias, Nobel prize laureate for literature) said he was "very pleased with the results." He stressed that the agenda is adequate because it addresses "the fundamental causes that led to the armed struggle" and the establish procedures suggest that it will be a dynamic process.

Regarding human rights violations, he said that the "figures are grave and alarming" and that the signing of this statement does not mean that the URNG will suspend its activities.

Meanwhile, UN observer Vendrell described the meeting as "successful."

Each delegation was composed of 10 individuals. The URNG side included its four commanders; the government delegation included two generals and three colonels.

Text of Agreement

PA2704224391 Guatemala City PRENSA LIBRE
in Spanish 27 Apr '91 pp 2, 53

["Accord of Mexico" signed by the Guatemalan Government and the Guatemalan National Revolutionary Unity (URNG) on 26 April in Mexico City]

[Text]

Accord of Mexico

The Government of the Republic of Guatemala, the command of the URNG, and the National Reconciliation Commission (CNR), at the conclusion of the first meeting to attain peace through political means, express thanks for the generous hospitality and support offered by the government and people of Mexico to the Guatemalan peace process at a meeting held in this city from 24-26 April that ended today with the signing of this historic Accord of Mexico.

Mexico City, Federal District, 26 April 1991.

Accord on the Procedure To Attain Peace Through Peaceful Means

With the purpose of reaching the objectives specified in the Accord of Esquipulas of 7 August 1987, ending the domestic armed conflict, achieving the reconciliation of all Guatemalans, and fulfilling the Accord of Oslo of 30 March 1990, the delegations of the Guatemalan Government and the URNG agree to hold talks under the mediation of CNR President Monsignor Rodolfo Quezada Toruno in keeping with the Accord of Oslo and under the watchful eye of Dr. Francesc Vendrell, representative of the UN secretary general.

1. The government and the URNG agree to hold talks leading, as soon as possible, to the signing of a firm and lasting peace agreement that would include political agreements, implementation of such by the parties, and verification terms set by the CNR, the United Nations, and other international organizations to be designated by the parties by common agreement.

2. The following will participate in the negotiations: Msgr. Rodolfo Quezada Toruno as mediator; Dr. Francesc Vendrell, the UN secretary general's representative, as observer; the advisers of the mediator and observer; and the delegations of the government of the Republic of Guatemala and the URNG. CNR members will participate in the meetings to confirm and verify compliance with the agreements.

The Guatemalan Government and the URNG may have advisers who must be Guatemalans and be accredited by the mediator.

3. To expedite and ensure the success of the process, the government and the URNG agree to hold talks through direct negotiation with the active participation of the mediator and in the presence of the observer. They may also hold indirect meetings between the parties through the mediator and in the presence of the observer, and their respective advisers, should they deem such meetings to be advisable.

4. The government and the URNG agree to be duly represented during the negotiations by high-level delegates to negotiate and reach political agreements that are in line with the current constitutional framework and the Accords of El Escorial.

5. The mediator, in his capacity as CNR president, as he deems advisable, may convene the various groups that participated in the meetings with the URNG in 1990, in keeping with the Accord of Oslo, to inform them on the progress of the negotiations to find a firm and lasting peace and a solution to the country's problems.

6. The Government of the Republic of Guatemala and the URNG agree not to unilaterally abandon the negotiation process and agree to participate in it continuously within the framework of these procedural norms until the agenda is completed. They also agree to act in good faith within an atmosphere of unrestricted mutual respect. They reaffirm their express determination to reach political agreements for a firm and lasting peace that would definitely and shortly end the domestic armed confrontation in Guatemala.

7. The meetings will be announced publicly and the debates will be held privately and discreetly. The media will be able to attend meetings on dates previously accepted by both delegations. Neither the parties nor the participants will unilaterally give out information about the negotiation phase, except if there is an agreement to the contrary. When the parties reach important agreements, the mediator will report them to the public by

reading prepared official communiques. The observer will keep the UN secretary general abreast on the development of the negotiations.

8. The mediator, Msgr. Rodolfo Quezada Toruno, as president of the CNR, will preside over the meetings in accordance with general rules of order. There will be no drafts, minutes, or tape recordings of the meetings. The agreements reached will be formalized in documents after discussion, approved by the parties, and signed by the mediator, the observer, the delegates of both parties, and CNR members.

9. According to the Oslo agreement, the mediator's functions are to: propose initiatives; promote and maintain active dialogue and negotiation by stimulating dialogue, summarize converging and diverging positions, and propose initiatives and solutions to be discussed and agreed upon; and all other functions that will further the correct compliance of this assignment.

In this context and in addition to duties already mentioned in other points of this document, the mediator must also: a) convoke the agreed meetings; b) be the depositary of the documents resulting from the negotiations and extend certified copies of the documents to the parties; c) appoint his advisors; and d) interrupt the meetings for recess.

Mexico City, 26 April 1991

For the Government of the Republic of Guatemala:

Manuel E. Conde Orellana, general secretary of the Presidency of the Republic; Manolo Bendleldt Alvares, urban and rural development minister; Brigade General Edgar Augusto Godoy Gaitan, deputy chief of the General Staff of National Defense; Brigade General Jose D. Garcia Samayoa, commander of the Honor Guard Brigade; Brigade General Mario Rene Enriquez M., commander of the Playa Grande, Quiche military zone No. 22; Colonel Julio A. Balconi Turcios, commander of the Mariscal Zavala military brigade; Colonel Marco A. Gonzalez T., commander of the mobile military police; Ernesto Viteri Echeverria, special adviser to the Presidency of the Republic; Ruben Amilcar Burgos Solis, special adviser to the Presidency of the Republic; Jose Luis Asencio Aguirre, adviser to the president of the Republic.

For the URNG:

General Command: Commander Gaspar Ilom; Commander Pablo Monsanto; Commander Rolando Moran; and Carlos Gonzalez, secretary of the CC [Central Committee] of the PGT [Guatemalan Labor Party].

Diplomatic Political Commission: Francisco Villagran Munoz; Luis Becker Guzman; Miguel Angel Sandoval; and Luz Mendez.

For the National Reconciliation Commission:

Teresa Bolanos de Zarco; Marco Permut Listwa; Oliverio Garcia Rodas; Luis Morales Chua, adviser; Monsignor Rodolfo Quezada Toruno, mediator and president of the CNR.

For the United Nations:

Francesc Vendrell, representative of the UN secretary general.

Presidency Minister, Chief of Staff on Talks

PA2804042391 Mexico City NOTIMEX in Spanish
0227 GMT 28 Apr 91

[Text] Guatemala City, 27 Apr (NOTIMEX)—The peace negotiations did not begin because of the government or the guerrillas, but because of the clamor of the people who demanded them, Manuel Conde, secretary general of the Presidency, said on arriving here from Mexico City.

"In the members of the Guatemalan National Revolutionary Unity (URNG) General Command we found flexible men who were capable of understanding," the official added.

Conde, who headed the beginning of the direct talks between the Guatemalan Government and guerrillas to end 30 years of internal war, admitted that in that first dialogue, whose purpose was to define an agenda, there had been "critical and difficult moments."

He added that the problems were overcome "because both the guerrillas and government delegates were homogenous groups, with objective viewpoints and an awareness of the country's needs."

He said that the most important part of the meeting was when it was agreed that the problems of the country "are best solved by the Guatemalans."

Conde stressed that one of the fundamental points of the peace process was the agreement that the negotiations should be held according to the political constitution of Guatemala and that there should be an opening to permit constitutional reforms so that the insurgents can rejoin the country's civilian life.

For his part, General Edgar Augusto Godoy, Army chief of staff, said that the meeting between the government and guerrillas, held from 24 to 26 April, had been positive.

Godoy said that the military did not attend the dialogue as Army representatives, but as members of the government commission, which demonstrates that the military institution obeys civilian power, is nonbelligerent, and that its main objective is to search for peace and solutions to the country's problems.

Rodolfo Quezada Toruno expressed his satisfaction with the results of the meeting and noted the importance that

in such a short time and in an initial meeting agreements were reached to permit holding talks on big issues to end the war in Guatemala.

Zacapa Bishop Quezada Toruno said that his role as conciliator had not been difficult, because the two parties "had engaged in serious conversations."

Armed Forces Deny 'Military Offensive' Near

PA2604160491 Hamburg DPA in Spanish 1448 GMT
26 Apr 91

[Text] Guatemala City, 26 Apr (DPA)—Division General Raul Molina Bedoya, chief of the National Defense General Staff, denied today that the Armed Forces are preparing a military offensive throughout the country called "Strength for Peace" [Fortaleza Para la Paz], which the Guatemalan National Revolutionary Unity (URNG) has denounced in Mexico through one of its commanders.

Molina said, "We will continue to fight the same way we have been fighting over the past 30 years of subversion." He added that "the officers that make up the Army's High Command are aware of the importance of the peace process promoted by President Jorge Elias Serrano's government."

Molina also stated that "the Army now realizes that once total peace is attained, a new stage in our country's development and progress can begin, a stage in which the Army can dedicate part of its time and personnel to actively participating in the objectives for which we all yearn."

More Denials of Offensive

PA2704165791 Guatemala City EL GRAFICO
in Spanish 26 Apr 91 p 6

[Report by Carlos Garcia Urrea]

[Text] Guatemala City, 26 April—Colonel Homero Garcia, chief of the Information and Press Department of the Army, has said that the Army is not preparing or planning any "offensive anywhere in the country," as FAR [Rebel Armed Forces] guerrilla leader "Pablo Monsanto" claimed in Mexico City.

"Monsanto" said in Mexico City that the offensive is scheduled for 6 May and that this contradicts President Serrano's peace proposals.

Col. Homero Garcia added that the military institution's responsibility is to maintain order in the country. Therefore, anyone who disobeys the law or commits illegal actions will suffer the consequences of such actions.

Col. Garcia said that the Army carries out routine actions throughout the country as part of its normal activities. He stressed that there is no offensive as the guerrilla leader has claimed.

He added that the guerrillas are trying to get attention, which could be the reason for Monsanto's statement. The truth is that once again "they will have to crunch their teeth," because the people are tired of subversion, he added.

Public Relations Secretary Gonzalo Asturias was asked to comment on Monsanto's remarks in the sense that "the Army's offensive contradicts President Serrano's statements in favor of peace."

Asturias fully agreed with Col. Homero Garcia. He said that the Army carries out routine operations in the capital and the country's interior. He added that these operations are carried out to prevent surprise attacks by the guerrillas, as was the case in Santa Elena Barillas. He denied that the Army is conducting any general offensive as "Monsanto" claimed. He noted that in any event, any doubts should have been expressed to the Guatemalan Government's delegation, which included top military commanders, during the talks in Mexico City.

URNG Claims Army Preparing

PA2704182791 Guatemala City PRENSA LIBRE
in Spanish 26 Apr 91 p 45

[Text] On 25 April, Commander Pablo Monsanto, member of the General Command of the Guatemalan National Revolutionary Unity (URNG), said: "The Guatemalan Army is preparing to launch a military offensive throughout the country that will begin on 6 May; this contradicts the pro-peace speech made by President Jorge Serrano."

This information was reported by the CERIGUA news agency in a facsimile sent to our office. According to the facsimile, Monsanto made the aforementioned statements some time before the first round of negotiations between the government and the Guatemalan guerrillas, in a Mexico City hotel.

The document adds that Manuel Conde Orellana, secretary general of the Presidency, said in his inaugural speech that it is necessary to completely eradicate violence in Guatemala. However, Commander Monsanto said that the rebels' intelligence service found out that the Guatemalan Army will launch a military offensive, which will be called "Fortress for Peace" [Fortalezas por la Paz], throughout the country.

Monsignor Rodolfo Quezada Toruno, president of the Nations' Reconciliation Commission (CNR), demanded on 25 April that the severe social injustice be recognized as the origin of the serious confrontation that has kept Guatemala at war for nearly 30 years.

This was reported in a dispatch carried by the CERIGUA news agency, which adds that Quezada Toruno expressed the aforementioned request upon inaugurating the first round of negotiations between the government and the URNG.

The CERIGUA report adds: "Quezada said that the fate of Guatemalans is at stake in these discussions and that the dialogue and negotiation, when conducted in a sincere manner, represent the only civilized path to settle disputes."

Meanwhile, Frances Vendrell, representative of the UN secretary general, described as a success the fact that the government and the rebels can sit down to negotiate and the fact that both sides can admit that peace is not only silencing the cannons, but finding solutions to the causes that originated the conflict in Guatemala, CERIGUA concluded.

Government Minister Resigns for 'Health Reasons'

PA2604170291 Paris AFP in Spanish 1559 GMT
26 Apr 91

[Text] Guatemala City, 26 April—Guatemalan Government Minister Colonel Ricardo Mendez has resigned for "health reasons," thus becoming the second minister in President Jorge Serrano's cabinet to leave his post in less than four months of government.

Presidential spokesman Gonzalo Asturias confirmed the resignation and announced that the ministry post will be filled by attorney Fernando Hurtado, who up until recently was the human rights assistant.

Asturias said that Mendez suffered a heart attack approximately one month ago, and his physicians advised him to steer clear of pressures. He noted that Mendez then tendered his resignation to President Serrano.

Mendez's name, however, had been mentioned to head the Guatemalan delegation that began talks on Wednesday with the guerrillas in Mexico. Manuel Conde, the president's private secretary, traveled in his place after Mendez's resignation was accepted.

Honduras

* Customs Erects Insurmountable Trade Barriers

91CA0100E Tegucigalpa LA TRIBUNA in Spanish
8 Mar 91 p 6

[Text] The General Directorate of Customs has issued a form letter to customs agents, demanding of them interminable, extremely complicated requirements that would make any importing terribly difficult.

To allow the entry of goods, Customs now requires price lists, brochures, catalogues, etc., with which the updated value of all imported goods can be proven.

Copies of all these documents must also be sent to each customs office in the country. Hence, in order to import any item, the national importer must ask his suppliers to send catalogues and brochures in which the item, a price list, etc., are shown.

Because the items do not have fixed prices, but rather varying ones, it is necessary to request catalogues, brochures, and price lists for each import, regardless of how small the item or the import may be.

In addition to the foregoing, Customs requires: "Reference, style, model, type, etc.; brands; specific description of the item; discounts granted; reason or cause of the discount; other price reductions; effectiveness of the lists or prices; FOB [free on board] and CIF [cost, insurance, and freight] price terms; foreign supplier's address and fax number; prices given in U.S. dollars; commercial level; exclusive distributor, representative, agent, commission merchant, wholesaler, retailer, etc.; and percentage given for discount."

In other words, there is an endless list of requirements: a kind of "feasibility study" of each import made.

If the company imports screws for a machine, it must meet these requirements. If an engine, cylinder, switch, rivet, or whatever other item is involved, a feasibility study must be made of the screw, washer, engine, or cylinder. A copy must be sent to all customs offices, to comply with the new regulations of that General Directorate.

Imagine the thousands upon thousands of imports made by national enterprises, the number of brochures that must be obtained, as well as price lists, catalogues, etc.

There will be piles and piles of documents. Millions of items are imported and go through the country's customs offices.

The businessmen queried on these measures have declared: "It will be easier now to bring in contraband than to import into the country legally."

Such are the comments on the requirements demanded by Customs.

Secretariat of Finance and Public Credit
General Directorate of Customs
Republic of Honduras, C.A.
Official Form Memorandum No. DA-001/02
Tegucigalpa, M.D.C. 21 February 1991

Messrs. Customs Agents of the Republic as a Whole
Messrs. Customs Agents:

Implementing Articles 17 and 23 of the Law on Customs Valuation; 10, sections a), ch), and g); and 183 and 185, section a), of the Law on Customs, you are notified:

That you are granted a nonextendable period expiring on 30 March 1991, to have submitted to the General Directorate of Customs the price lists, brochures, catalogues, etc., with which the updated value of all goods imported by those you represent may be proven; including a copy of these documents for each of the customs offices through which articles are brought into the country.

After 1 April of this year, before the execution of any customs procedure, the pertinent record from the Department of Customs Valuation attesting to compliance with the aforementioned obligation will be required in all of the country's customs offices. (See attached list.)

In the event of noncompliance with the foregoing request, the penalties expressly dictated by the law will be applied, without precluding the suspension of all procedures for the importers in the country's various customs offices.

[stamp] General Directorate of Customs, Republic of Honduras

Yours truly,

[signature] David Matamoros Batson General Director
of Customs

JAMU/MES/MAA/MdeF.

[attached list]

Secretariat of Finance and Public Credit
General Directorate of Customs
Republic of Honduras, C.A.

Necessary Data That Must Be Submitted on the Lists

- Country of origin of the goods
- Country from which the goods arrived.
- Brands, reference, style, model, type, etc.
- Specific description of the item.
- Discounts granted.
- Reason or cause of the discount (details).
- Other price reductions.
- Effectiveness of the lists or prices FOB, CIF, etc., and price terms.
- Address and fax number of foreign supplier.
- Prices expressed in U.S. dollar currency.
- Commercial level: exclusive distributor, representative, agent, commission-merchant, wholesaler, retailer, etc.
- Percentage granted for discounts.

MAA/MdeF.

* Political Struggle Leads to IHSS Dismissals

91CA0100K San Pedro Sula TIEMPO in Spanish
2 Mar 91 p 2

[Text] San Pedro Sula—As a completely reliable source reported yesterday, the regional director of the Honduran Social Security Institute (IHSS), Dr. Olban Coello, was dismissed from that position last Thursday, at the order of that health care institution's general management.

Moreover, it was noted that the same regional hospital center's personnel chief, Wilfredo Cerrato, was also removed. He was discharged from the position on Friday of last week.

Our informant claimed that the causes of the dismissals of Dr. Coello and Cerrato originated in the conflict existing within the IHSS between two political groups. The latter support the presidential ambitions of the Supreme Court of Justice President, Oswaldo Ramos Soto, and the National Congress President, Rodolfo Irias Navas, respectively.

Yesterday, TIEMPO tried to confirm the reasons for the dismissal of the two officials at the IHSS Public Relations Office. However, this proved impossible because the personnel from that department had the day off to celebrate IHSS Employee Day.

* 400 CENACH Families Seize RRNN Land

91CA0100L Tegucigalpa LA TRIBUNA in Spanish
7 Mar 91 p 2

[Text] Over 400 families from the National Campesino Agricultural and Livestock Federation (CENACH) invaded 1,500 hectares of land at the Agricultural-Livestock Center in Comayagua.

The affected institution is subordinate to the Ministry of Natural Resources (RRNN), which the campesinos claim is keeping land uncultivated.

Alexis Moran and Evaristo Rodas, directors of CENACH, reported that they had submitted a petition to the National Agrarian Institute (INA), to be granted 1,500 hectares of land.

Nevertheless, the INA director, Juan Ramon Martinez, has not responded to the campesino group, which represents 432 families.

The farmers took over the land last Monday and, instead of raising the national flag, as is customary, hoisted a white flag representing "peace."

Moran and Rodas remarked that if they are forced to withdraw from the land with the use of the military, they would hold President Rafael Leonardo Callejas responsible, because it was his pledge to give land to the campesinos.

The organization that invaded the land has the support of the Campesino Alliance of National Organizations (ALCON) and the General Federation of Workers (CGT). "Therefore, we won't surrender the land," they declared.

Nicaragua

President Chamorro at Restaurant Hit by Gunfire

PA2704124491 Managua Radio Sandino in Spanish
1201 GMT 27 Apr 91

[Text] Around midnight, unidentified persons in a moving vehicle fired on the facade of the Intercontinental Hotel's La Cabana Restaurant. At least six bullets hit the building. According to reports, President Violeta

Chamorro and several government officials were in the restaurant. So far, there are no indications that this may have been a personal attack. Shattered glass, presumably from a vehicle, can be seen in the area around the building.

Some persons say the gunmen aimed at the cars but this has not been confirmed. Stay tuned for more information.

Details of Drive-by Attack

PA2704140591 Managua Radio Sandino in Spanish
1246 GMT 27 Apr 91

[Text] The 19 bullets that hit La Cabana Restaurant of the Intercontinental Hotel, where a wedding that was being attended by President Violeta Chamorro was under way, were fired from a gray Toyota pick-up truck. The shooting produced much confusion and put an end to the fiesta.

This morning, the hotel's day crew was cleaning up in the midst of empty beer cans and cigarette butts.

This station has established that there are two bullet holes in the restaurant. One is in the upper side of a glass door that leads to a storeroom and the other is in an inside wall. The other bullets hit the outside wall.

Pedro Lozano, the security guard at Los Antojitos Restaurant, heard the shooting. Let us listen to him:

[Begin recording] [Lozano] At approximately 0030 Saturday, a gray Toyota pick-up truck moving from north to south passed by La Cabana Restaurant of the Intercontinental Hotel while straffing it. This is exactly what I saw. The pick-up truck was moving fast.

[Reporter] Was there any police activity in this area following the shooting?

[Lozano] Yes. Several patrol cars came and policemen were asking questions and investigating.

[Reporter] Do you know who was inside La Cabana at the time of the shooting?

[Lozano] There were many people there, but I do not know if any well-known people were there.

[Reporter] Do you know if any government official, or the president, was there?

[Lozano] No. I do not know if any important people were there.

[Reporter] Do you not think that this kind of attack represents also an attack on people who have to protect establishments at any time of day or night?

[Lozano] Of course. This is an attack on anybody who happens to be passing by and could become the victim of a shooting. [end recording]

It is evident that the strafing had ill-intentions. The police have reported that they are investigating the attacks, but so far they have nothing to report. Please wait so that the investigations are not hampered, the police headquarters have told us.

Who was being fired at? Who fired the shots? Was it an organized group or was it an excited politician? Was it a contra or a frustrated military man? Or what is it a frustrated former soldier? There are many questions, but it is a fact that President Chamorro was inside the restaurant. This is why we say that there is some kind of intention behind the shooting?

Police: 'Act of Intimidation'

*PA2704185791 Panama City ACAN in Spanish
1733 GMT 27 Apr 91*

[Text] Managua, 27 Apr (ACAN-EFE)—Commander Rene Vivas, national chief of police, confirmed today that two unidentified individuals fired at a restaurant in Managua's main hotel last night. President Violeta Chamorro was there at the time, but was not hurt.

Vivas said that this "terrorist action" is an "act of intimidation" against the government and it is not an "isolated event," rather it is a "message" especially intended for President Chamorro.

The police chief said that two unidentified individuals fired last night from a moving station wagon, probably "white or gray," on one of the restaurants in Managua's main hotel. President Chamorro was there at the time and was unharmed. Only one person was slightly wounded.

"I do not really think it was a personal attack against President Chamorro, but an act of intimidation against the government and against her in particular," Vivas stressed.

After the attack, the individuals fled south and only 800 meters from the hotel fired on a home that had previously served as a "Sandinist Security Office," said Lenin Cerna, head of the Police Defense Directorate Information [Direccion de Informacion para la Defensa de la Policia], who accompanied Vivas.

Bodyguards immediately took President Chamorro away from the Intercontinental Hotel. Chamorro was attending the wedding reception of a niece surnamed Urcuyo.

Vivas and Cerna, who were at the hotel investigating, were accompanied by Police Deputy Chief Commander Alvaro Guzman.

The National Police Chief told the press that the individuals fired 15 shots with a Soviet-made "AK weapon." Of the 15 shots fired, two pierced one of the hotel walls near the swimming pool, where four holes could be seen, but no guests were wounded, including President Chamorro.

Only one person who was near the wall received a "superficial wound" when "part of the wall" lightly grazed the person's leg.

Two more holes could be seen on the ceiling of the hotel's La Cabana restaurant, a third on a beam, and a fourth went through a glass door in the Pan American warehouse.

Government Ministry Communique

*PA2704215291 Managua Radio Ya in Spanish
1850 GMT 27 Apr 91*

[Nicaraguan Government Ministry communique issued in Managua on 27 April]

[Text] The Government Ministry announces that in the early hours of this morning, 27 April, two unidentified persons, traveling south in a light-colored station wagon, used an AK-47 rifle to fire several shots at the La Cabana restaurant, at the Intercontinental Hotel, where President Violeta Barrios de Chamorro was attending a wedding reception. One person was slightly wounded as a result of this terrorist activity, which was carried out for unknown reasons.

The National Police arrived on the scene and are currently carrying out a widespread operation to find the guilty, who will be punished to the fullest extent of the law.

Managua, 27 April 1991.

Chamorro Reacts to Attack

*PA2804003391 Paris AFP in Spanish 2326 GMT
27 Apr 91*

[Text] Managua, 27 Apr (AFP)—Nicaraguan President Violeta de Chamorro termed as "illogical" the alleged criminal attack against her at the Intercontinental Hotel while she was attending a niece's wedding reception this morning.

In her first comments, made to the evening newspaper LA PRENSA—owned by her family—President Chamorro termed as "illogical" that anyone would want to attack her, saying she was "very sad" about what had happened.

Thus far the Nicaraguan authorities have not established if Chamorro was the target of 18 shots fired by two unidentified persons at 0040 Saturday morning at Las Cabanas restaurant in the Intercontinental Hotel where she was attending a wedding celebration.

President Chamorro said she personally saw one of the women "wounded by bird shot in the back," adding that one of the guests picked up a piece of the wall that was torn off by the bullets' impact. She said she was dancing near the hotel pool when the shots rang out, explaining that "she remained calm to prevent the guests from getting scared."

Although there is no trace of the identity of the culprits or motive of the attack, Government Minister Carlos Hurtado said it had been "a real attack against the country's stability," and announced that a military operation will be carried out to find the guilty parties. Two foreigners, a Costa Rican and a Panamanian, were slightly wounded during the attack, according to an official report.

Spanish Daily Interviews President Chamorro

PM2904104591 Barcelona LA VANGUARDIA
in Spanish 17 Apr 91 p 9

[Interview with President Chamorro by Joaquim Ibarz in Managua; date not given]

[Excerpt] [passage omitted] [Ibarz] What will you ask the [Spanish] king and queen for?

[Chamorro] That is a question which I do not like. I will have the opportunity to have many contacts with their majesties. We will discuss the situation in Nicaragua, its progress and its problems. An intelligent person like the king will fully appreciate what is happening and the difficulties which we are experiencing.

[Ibarz] What assistance can Spain give Nicaragua in this stage of transition from dictatorship to democracy?

[Chamorro] It is already assisting us a great deal. Spain is acting as our number one friend. It is giving us considerable support in this change; it is helping us to be democrats.

[Ibarz] Felipe Gonzalez generously supported the Sandinist government. Is he still showing your government the same generosity?

[Chamorro] All the countries in the world which supported Sandinism did so believing that perhaps they were giving their assistance correctly. So I reproach nobody since they were acting in good faith. Later, they realized Sandinism's true totalitarian nature. Felipe Gonzalez has helped us generously. I have already told you that Spain is the country which supports us most in this democratic change, but we need much more assistance from everybody for democracy to be consolidated. I have already met with Don Felipe on several occasions. We met at the United Nations and talked a great deal. He has helped me considerably—especially to demobilize 5,000 troops. Spain will now help us with advice and equipment to restructure our police forces.

[Ibarz] There is dissatisfaction in Nicaragua because the economic situation is not improving...

[Chamorro] Things cannot be accomplished overnight, but I believe that in a year we have a very great deal of progress. People who were very skeptical about this country changing have found that the country has

changed because the people were weary of totalitarianism. They wanted peace, reconciliation, and democratic change; they wished to forgive each other and shake hands.

[Ibarz] Where can that change be seen?

[Chamorro] What better change than to stop the war! Nicaraguans are no longer killing each other, everybody can enter and leave the country, and there are no political prisoners or exiles. What better change than complete freedom! Everybody can express themselves as they please and say whether they are satisfied or dissatisfied. What better change than no ration cards! The cards were dreadful; even a scrap of bread was rationed. I am very thrilled to have ended all that. What better change than the abolition of military service! Young people now devote themselves to studying or working—not shooting.

[Ibarz] In the year that you have been president, you have had to tackle constant grave problems. Have you ever wished to quit the presidency out of despondency or weariness?

[Chamorro] No, I feel better each day in the presidency. Those who quit do so because they do not feel secure. But you have known me for a long time; you have often interviewed me. It is not the first time that we have met, and you are well aware that I wish only to pull this country through. I am no politician, nor do I have any ambition for power; all that matters to me is that Nicaragua should be a democratic country.

[Ibarz] What was the most difficult thing in this year that you have been president?

[Chamorro] The hardest task was to stop the war, and it stopped. All my wishes have gradually come true. How marvelous that everybody can return to their country! We are putting the country on its feet by working hard and through international aid. But we have a debt bequeathed to us by the Sandinistas which I bear on my back like a cross and which is like a millstone round our necks. I will explain to King Juan Carlos the difficult situation which we are experiencing.

[Ibarz] Could the constant social agitation stirred up by the Sandinist trade unions endanger democratic stability?

[Chamorro] No. It is true that the main problem is the economic problem, but I trust in the latest plan to pull the country through.

President Perez Addresses National Assembly

PA2704042891 Managua Domestic Service
in Spanish 1900 GMT 25 Apr 91

[Speech by Venezuelan President Carlos Andres Perez at the National Assembly in Managua—live]

[Excerpts] [passage omitted] First came Nicaragua's all-out struggle against the Somoza dictatorship. Later came the triumph of the Sandinist revolution which—whatever can be said of it, and regardless of anyone's opinion and position on it—became a process that changed the face of Nicaragua forever. My support and participation during dramatic moments of that struggle are well known, and my critical position regarding that struggle is also well known. I do not hesitate to say this now because I do not believe in this sacrosanct and hypocritical idea that we cannot meddle in the affairs of our sister countries. Of course we know how to respect each other's sovereignty; we know how to understand each of our people and we know that they have the right to govern themselves and to be masters of their own destiny. The Latin American people cannot refuse to honor their history and their origin—which emerged precisely from the Latin American ideal of a great and single fatherland. What happens to Nicaragua either hurts or pleases Venezuela and what hurts Venezuela should please or sadden Nicaraguans.

I want to say right here that the Sandinist revolution undoubtedly has its place in the history of Latin America's great struggles, regardless of whatever errors, omissions, or mistakes there may have been. The revolution eventually reached the assembly, where the people can freely express their ideas. When I arrived at the Managua airport yesterday, I was unable to hide my emotions in my words of greetings to the Nicaraguan people and to President Violeta Chamorro. I do not regret all that I did during this Nicaraguan process because history is measured by results. This long, bloody, and difficult process has served to exalt reconciliation, fraternity, and the sacrifice of a Latin American people who represent all the peoples of the area.

It is very difficult to believe that elections were possible after everything that had happened. Even many Nicaraguans did not believe that elections were possible; many world leaders and other people did not believe it, but those of us who are devoted to our America did believe it and now we are enjoying it. Sandinism, which became the one and only power because of the needs of the Nicaraguan struggle, led the country to these elections. The current opposition is no less than those who ruled the country at that time. The capacity to join in, understand one another, and to embrace a movement made it possible for the elections to bring about those results.

I sincerely say, dear Nicaraguan brothers: No one can feel unhappy and frustrated in this Nicaragua of the last decade of the 20th Century. It is a Nicaragua that all have won and built into a paradigm of our America and into a symbol and slogan that should be followed by other people. Without going any further, it should be followed by the fraternal Salvadoran people who are still embattled in the horrors of a fratricidal war that has already lasted more than a decade of terrible suffering for that country that is so united with and so close to the Nicaraguan fatherland. [passage omitted]

Our economies leaned toward a gradual nationalization. That was the only way available to us in the past to defend ourselves against the capitalist colonization of the major countries of the world. That situation led us to make the numerous errors we are now correcting. We are not, however, going to be foolish and ignore the importance and significance of the state. That which is now called neoliberalism is also making the same mistake of Marxism-Leninism, which felt that we could do without the state. We cannot do without the state. We must, however, have a state in line with the democratic system and encourage the immense forces that develop within a society. We must reduce the size of the state but not weaken it. Quite the contrary, we must strengthen it as the expression of the people's sovereignty, which guides each and every member of society toward their great goals, particularly in developing nations and underdeveloped nations like ours—where monopolist and oligopolistic tendencies in our markets practically dominate. It is difficult to talk about free enterprise and free trade in developing states like ours. However, it is also absurd to deny the importance and the significance that private economy should have in the economic development of a nation. Likewise, it would be most reprehensible and arrogant to think that the state can manage an industrial and commercial development and that it can orient and supervise the enforcement of economic freedoms. All the nations are involved in this conflict, and there is word which has now become a sort of essential and sacred slogan in politics—privatization.

If we live in a democracy, we propose that the state should get rid of activities and enterprises that are best in the hands of the private sector. We have the dramatic example of the centralized economy's absolute failure. What we are seeing behind that which used to be called the Iron Curtain is not just the disappearance of a political system but also—and nobody can deny this—the thundering failure of the centralized economy, which we could say is the the main cause of the process that is taking place in that area, something which would have been unthinkable just a short while ago. In Venezuela, as here or in Argentina, Brazil, Mexico, and Bolivia, we are accepting this reality and situation but in our own way and based with our legitimate and true interests. Nobody in Venezuela thinks we can privatize the oil industry. Nobody thinks the basic enterprises can be transferred over to private hands. Perhaps—and we cannot close our minds in a dogmatic manner—in the future the free forces of the market may intervene in this process. With our circumstances now, that is not the case.

We are not denying, however, that the Venezuelan state has no business producing sugar or running hotels. We do not think the region's activities should be in the hands of the state. That is how we regard privatization. We also regard privatization as being linked to another sentiment and idea, namely, democratizing the wealth without falling prey to the excesses of what has been called populism.

In the Venezuelan privatization process we believe that just as enterprises should be in the hands of capitalists and businessmen, workers should also participate. We do not see this merely as a point of social justice or as democratization of wealth. We also see it as a means, a way, and an opportunity to advance in today's world. The concept of productivity has been [words indistinct] which is competitiveness. We must make our industrial process competitive with the industries of powerful nations. To that end, we must get laborers and workers involved in the process.

We are not proposing that we adopt a stubborn position, cling to the ideas of statism that yesterday prevailed in Latin America, or to so-called populist ideas. Let us look at the UK of Mrs. Thatcher, which is perhaps the best example of a super conservative neo-liberalism. State-run enterprises were privatized under the British Labor Party. However, workers were allowed to participate in that privatization process. We are doing the same thing in Venezuela. Although we have oil, and an annual oil income that exceeds \$10 billion, we are still facing difficulties. We are facing and struggling against poverty and unemployment.

If that happens in Venezuela, what can be expected in Nicaragua, in this long-suffering country? In Venezuela, as in Nicaragua, we are going through a process of economic adjustments which people are not happy with. They are not pleased, because it entails great sacrifices and restrictions. However, deep down our people support us, and have accepted the sacrifices.

Here were are in Nicaragua today, in the last decade of this century, under circumstances worthy of praise. There is no better place to proclaim this than at the National Assembly. The fact that the National Opposition Union and the Sandinist National Liberation Front have reached an agreement to support an economic adjustment plan, such as the one that had to be set forth here, is a brave, admirable, and exemplary expression of the Nicaraguan people. [passage omitted]

Perez on Cooperation Pacts

PA2804014591 Managua Sistema Nacional de Television Network 0200 GMT 26 Apr 91

[Report by Miguel Lopez on news conference by Venezuelan President Carlos Andres Perez at the Augusto Cesar Sandino Airport in Managua on 25 April]

[Text] After two very busy days, Venezuelan President Carlos Andres Perez has concluded his official visit to Nicaragua. In a news conference, the Venezuelan president described the agreements signed with the Nicaraguan Government as revolutionary. In addition to the free trade agreement, the oil exploration cooperation agreement, and an open skies policy agreement, the Venezuelan president will also cooperate with Nicaragua by providing \$10 million, which will be used to build houses.

[Begin President Perez recording] We have reiterated the decision of Venezuela to participate in the stopgap loan, which will enable Nicaragua to pay its debts to the multilateral banking sector and to obtain new credits from the International Monetary Fund and the World Bank.

However, we are not only willing to provide the cooperation that has been requested, but we have taken the initiative to talk to presidents from other countries, because we want them to participate in this stopgap loan of approximately \$350 million. [end recording]

After President Perez' news conference, Nicaraguan President Violeta Barrios de Chamorro, her cabinet, and the diplomatic corps accredited in the country bid farewell to the Venezuelan president.

Reports on Contra Activity in Quilali Rebutted

PA2804225791 Managua LA PRENSA in Spanish 24 Apr 91 pp 1, 12

[by Roberto Orozco B.]

[Excerpt] Quilali—Contrary to what the Sandinist media has reported in Managua, this community, located 70 km to the northeast of Ocotal, carries out its productive and social activities normally and without any disturbances or irregularities in daily life.

LA PRENSA visited this town, which is surrounded by mountains of thick vegetation and totally detached from urban life, for two days. During our visit, we were able to establish that there are no protests, armed uprisings by demobilized "contras", or abductions held at gunpoint by members of the Nicaraguan Resistance. The Sandinist media calls the latter "radicals and criminals" who want to oust President Violeta Chamorro and install Vice President Virgilio Godoy in her place.

According to an exclusive report by Mayor Carlos Humberto Altamirano Alaniz, the only problem in this Segovian region is the scarcity of police and resources to combat armed bands of common criminals who rustle cattle and assault passenger buses.

Altamirano stated: "Sandinists and former contras work and produce in total peace here. However, there are groups of assailants, formed by people from different ideologies, who want to continue at war, and since there is no war they become common criminals."

The increase in crime is caused basically by the fact that every civilian has a weapon, and some of them have decided to become assailants because there are no jobs or land to work. [passage omitted]

Lacayo Interviewed on Land Issue, Privatization

PA2604180491 Managua Domestic Service
in Spanish 0330 GMT 25 Apr 91

[Interview with Presidency Minister Antonio Lacayo by unidentified reporters in Managua; date not given—recorded]

[Text] [Lacayo] I believe we had two big problems when we launched our election campaign—the war and the economic crisis. Upon completing her first year in government, President Chamorro can claim that the war is over and that we have solved half of our problems. On 3 March we began our efforts to pull Nicaragua out of the grips of hyperinflation, and I am sure that we will rid ourselves of this scourge just as we solved the war. We have started to see the results this April.

[Reporter] Engineer Lacayo, what if it is confirmed that the vice president is involved in a movement currently underway in the northern region of the country? Who will defend the Nicaraguan Government?

[Lacayo] We will, as usual, opt for negotiation and dialogue with the groups located there. We want to learn more about their problems. Specifically, we want to find out how many demobilized fighters are involved and in what zones of the country they want land. We have achieved enormous progress in the distribution of land but, like we have always said, the process is far from over. We must now get details on the location of people who still do not have land, and we must find out why they have decided to resort to violence to solve the problem. The government is willing to solve the problem so we see no reason why they should opt for violence.

We have been quite surprised to see media reports claiming that the movement actually wants Vice President Virgilio Godoy to replace Chamorro as president of the Republic on 25 April. This has nothing to do with the land problem.

[Reporter] What conditions have been imposed on Nicaragua so that it may receive loans and aid from other countries?

[Lacayo] We accept no conditions. Countries help Nicaragua because they know that the government is the result of the 25 February 1990 elections. They realize that this government is quite interested in restoring order to our economy and implementing all the necessary measures so that the Nicaraguan people may pull the country to its feet with their energy, talent, dedication, and hard work. The government is not the one that will pull up the country; it is each and every one of us. Right? Everyone must do what he has to do. The countries see this and they support us.

[Reporter] What can you tell us about the privatization process?

[Lacayo] The president will send the privatization bill to the National Assembly in a matter of days to be discussed, improved, and approved. Once it becomes law we will strive to reactivate enterprises currently owned by the state and that need capital—which the state does not have—to rejuvenate themselves and to benefit both the workers and the entire country. We think that this will be very useful for the people.

[Reporter] Engineer Lacayo, during your visit to Mexico did you manage to meet with official Salvadoran Government delegates participating in negotiations with the Salvadoran rebels?

[Lacayo] I met with National Assembly representatives who were traveling to Mexico City the same day, meaning Sunday. Some of them are members of Arena [Nationalist Republican Alliance] and MAC [Authentic Christian Movement]. They brought a document that was reviewed by the FMLN [Farabundo Marti National Liberation Front] and UN representatives yesterday; they are still discussing the document.

FSLN Communique on Assembly's Property Bills

PA2504195891 Managua Radio Ya in Spanish
1200 GMT 25 Apr 91

[Communique issued by the Secretariat of the National Directorate of the Sandinist National Liberation Front (FSLN) in Managua on 24 April—read by announcer]

[Text] Today the FSLN National Directorate analyzed the country's critical situation in the wake of the presentation of two bills at the National Assembly Board of Directors. One of the bills is backed by a group of deputies from the conservative National Action Party, and the other, by the National Conservative Party. The two bills are aimed at depriving of their property the families that during the Sandinist administration were awarded land, lots, and houses.

Tension in the countryside is becoming acute now that the agricultural cycle is beginning, large landowners and Somozists are trying to seize land from the peasants, and credits to state cooperatives and enterprises are to be studied. This is endangering the production of basic grains and other agricultural export items, and there is an increased danger of violence in the countryside.

The Nicaraguan Housing Bank has been pressuring families that have benefited from Laws 85 and 86 and has demanded that they sign a rent contract, thus challenging the rights that those people have by law.

The FSLN National Directorate reports that these are not isolated cases, but they form part of an organized campaign in which Somozists who have had property confiscated, as well as revengeful politicians and Higher Council of Private Enterprise leaders, are participating in an irresponsible fashion, thus provoking a situation that could result in dangerous political and social confrontations.

The FSLN cautions that these measures and actions are placing the country in a very grave situation. The seizure of land, the actions by the Nicaraguan House Bank, and the possibility of an eventual approval of bills presented to the National Assembly represent flagrant violations of the transition agreements that the FSLN cannot permit.

The government, as signatory to the transition agreement, has the obligation to immediately stop these revengeful and destabilizing initiatives.

The FSLN National Directorate hereby calls on all the FSLN members to side with and defend the rights of the peasants, the Association of Agricultural Workers, the retired Sandinist People's Army members, and the demobilized National Resistance members who have benefited from the agrarian reform and the apportionment of cattle, cotton, and coffee farms.

The FSLN National Directorate calls on the FSLN members to firmly back the thousands of families who have been benefitted with lots and houses. The directorate calls on state enterprise employees to defend their legitimate rights and to stop actions that go against peace, stability, and national reconstruction.

Free fatherland or death.

Secretariat of the FSLN National Directorate

Managua, Nicaragua, 24 April 1991

FSLN's Ramirez on Search for Party 'Identity'

PA2604170891 Mexico City NOTIMEX in Spanish
1617 GMT 24 Apr 91

[By Sonia Gonzalez]

[Text] Managua, 24 Apr (NOTIMEX)—Former Vice President Sergio Ramirez said today that the opposition Sandinist National Liberation Front (FSLN) "will redefine its field of strategic action" one year after President Violeta Chamorro's inauguration.

In an interview with NOTIMEX, the leader of the Sandinist bloc in the National Assembly acknowledged that Chamorro "has achieved peace and political stability" in her first year of government, but that "there is no economic or social stability." With the labor union strength of the National Workers Front on their side, the Sandinists have demonstrated on three occasions that they can paralyze the country and that their top leaders can mediate when the confrontation reaches a dangerous level.

"The FSLN is defining its strategic action. It seeks national stability, but cannot hog-tie the labor movement," Ramirez said.

Nicaragua is in a post-war status, with 80 percent of its population under the poverty line and over 500,000 unemployed. Also, as a result of drastic adjustment measures, the average worker's wages cover only 60

percent of the basic food basket. The Sandinist leadership, which in 1988 and 1989 applied economic adjustment policies while in the government, has now adopted ambivalent positions from the opposition that have confused their rank and file. "The labor actions are just. When we can achieve a negotiated solution to the labor crisis, then we do so," Ramirez said.

With its first party congress only two months away, and aware of the need to maintain unity, the FSLN is pursuing "democratic change" without "following any predetermined political trend." "We already ran a risk when the FSLN appeared in some way to be linked to the trend of the eastern countries. This had an enormous internal and external cost, and we are not going to do that again," the former vice president said.

He added that the FSLN is seeking its "own identity": that of a leftist, revolutionary party that will always propose advanced changes for society, a party that is modern and democratic and that has a program responsive to the nation's needs.

The diversity of its membership—owners of both established and new businesses, students, workers, and peasants—will make a convergence of interests and political positions more difficult, Ramirez said.

The discussion of the morality of certain Sandinist leaders and members in the management of funds, so greatly questioned by official sectors, might be one of the most heated topics, and one of those most likely to cause division during the FSLN congress. "One has to look at this realistically. Sandinism is a party of people with different income levels. We cannot avoid this because we cannot have a party of barefoot people. That would be demagogic," the legislator said.

For his part, Alejandro Martinez Cuenca, former Sandinist minister of planning, said that after 20 years of guerrilla struggle, 10 years in power, and a year in the opposition, Sandinism will have to "change, or be trampled by history." "Concepts and working styles must be changed. The FSLN must be a constructive, not a confrontative left wing," Martinez said in a published book in which he relates his experiences as a participant in the Sandinist administration. "The challenge is to find the appropriate mechanisms so that a consensus can materialize and diverse opinions can be channeled democratically, without lamentable ruptures," he said.

Panama

U.S. Document Reportedly Sparks Coup Rumors

PA2704182491 Panama City EL DIARIO
INDEPENDIENTE in Spanish 26 Apr 91 p 23

[Report by Lionel Blaisdell]

[Text] Panama City—Insistent rumors of a possible coup d'etat have been heard in various sectors of Panama City after a document issued by John Conyers, president of a

U.S. House of Representatives subcommittee, was made public. The document reveals plans that do not rule out the possibility of calling for a constituent assembly under a provisional government.

In addition, Ricardo Arias Calderon, president of the Christian Democratic Party (PDC), the main opposition force in the country, made strong charges against President Guillermo Endara's administration 24 hours ago. Arias Calderon, who is Endara's first vice president, asserted that the executive branch has more than \$362 million in reserve funds to pay the 13th-month bonus payment.

John Conyers's document, which presents plans and options for U.S. foreign policy, says that in Panama "democracy is highly unstable because two weeks ago President Endara carried out a 'constitutional coup' and purged his cabinet of all his rivals."

Vice President Ricardo Arias Calderon has stated: "I will not go to the Presidency by carrying out a military coup," but he told EL DIARIO INDEPENDIENTE that he will comply with his constitutional duty to take over the presidential post if Guillermo Endara resigns.

"The vice presidency is like a spare tire," the PDC leader said, describing his government responsibilities. He also called for constitutional order to be respected.

The PDC's serious charges regarding the state's reserves of millions have not, however, passed unnoticed by the people who are suffering from the strict budget controls designed by Comptroller General Ruben Carles, Endara's main collaborator.

Another point of view is that officers, who swore loyalty to former Government and Justice Minister Ricardo Arias Calderon and who still work in the National Police, were pleased with the decision made by the opposition leader because it follows Colonel Eduardo Herrera's line. Herrera defended the rights of the men in uniform during an alleged military coup that was thwarted.

After a minor ear operation recently, Herrera stated that his movement had defended the right of the men in uniform to receive their 13th-month bonus payment.

This objective conforms with the position held by the PDC that is currently struggling to ensure that government employees and, thus, the national police, are not cheated out of their benefits.

Finally, after the vice president's statements, a spokesman reported to this newspaper that security measures at the National Police's armory had been doubled. However, the spokesman added that this "was only routine."

PRD Proposes Amnesty for Noriega Followers

PA2604025991 Panama City LA PRENSA in Spanish
25 Apr 91 p 32A

[Report by Manuel Alvarez Cedeno and Althea Foster de Chavarria]

[Text] The Revolutionary Democratic Party [PRD] yesterday proposed a political amnesty for ousted dictator Manuel Antonio Noriega's collaborators, who have been held in various prisons of the country since the U.S. invasion. There has arisen the possibility of a pact between the opposition and the government.

PRD Secretary General Ernesto Perez Balladares said that this pact is necessary for reconstructing the Panamanian state and attaining reconciliation while respecting the two sides' ideologies and political inclinations.

During a press conference with foreign correspondents, Perez Balladares proposed that, for the sake of national understanding, the opposition and the government "make a commitment to demanding compliance with the Torrijos-Carter Treaties" signed with the United States in 1977.

"It is essential to permit those Panamanians who so desire to seek and obtain political refuge. In the absence of this refuge, a political amnesty should be decreed. This amnesty should be accompanied by a change in the stance of the government parties with regard to the opposition, putting an end, once and for all, to the political trials disguised as justice," he added.

He also demanded the immediate release of all Panamanian citizens who are in prison after being "unjustly" arrested on political charges and for "revenge" by the extant officials or any other cause that cannot justify their being held in prison.

After the U.S. invasion that deposed Noriega, several of his leading civilian and military followers were imprisoned on charges of common crimes. The opposition asserts, however, that these collaborators are being persecuted for political reasons.

The outlining of an economic development program that will entail both a great social pact among all sectors and a joint effort so that Panama can be readmitted into the Latin American nations, "which have turned their backs on Panama," is also part of the PRD's proposal. The party labeled the Christian Democratic Party [PDC] as "false opposition."

Ricardo Arias Calderon, who is vice president in the government and also PDC president, held Guillermo Endara and his advisers responsible for having given political life to the PRD by breaking the government alliance.

"History will say that the PRD's political reappearance took place because of this decision by President Endara," Arias Calderon said.

Arias Calderon said that he is not surprised at Perez Balladares' proposal because, Arias said, "Perez Balladares needed justification for what is coming," that is to say, a pact between the government and the PRD.

The PDC leader pointed out that the Endara administration became a minority government when the PDC was excluded from the ruling alliance.

Arias Calderon said that Endara was familiar with the political logic of this solution, which is "to seek an understanding with the old followers of the dictatorship."

Finally, Arias said that there are only two possible majorities at the Legislative Assembly, that the only alternative for the government is to get in touch with the PRD, and that "this is not speculation, but an analysis of the most realistic political logic."

PDC Official Charges Arnulfists, PRD Make 'Pact'

PA2604173091 Panama City *EL SIGLO* in Spanish
25 Apr 91 p 14

[Article by Yali Enrique Pitti]

[Text] Guillermo "Willie" Cochez, vice president of the Christian Democratic Party [PDC], charged yesterday that there is a "six-point pact" between the Arnulfists and leaders of the Democratic Revolutionary Party [PRD]. According to Cochez, the pact between the Arnulfists and the PRD includes lifting the freeze on bank accounts, releasing the people who have been charged with misappropriation of funds, making embassy appointments for PRD followers, granting safe-conducts for civilians and soldiers who sought refuge at embassies, gradually releasing followers of the former regime who are still in jail, and returning some leaders of the Fenasep [National Federation of Associations of Public Employees] to posts within the current government.

Regarding the possible appointment of PRD followers to the diplomatic service, Cochez said that these people would be appointed to posts at the Panamanian embassies in Cuba, Mexico, and Nicaragua. In regard to those who sought asylum at various embassies, he said that, according to the pact, safe-conducts would be granted to civilians and soldiers by claiming that they are not common criminals, but rather are politically persecuted and thus protected by the Caracas Convention.

"If we look closely, we will see that some followers of the former regime are returning to posts in the government; for example, Guillermo Rodolfo Valdes, the man who fought, mocked, and insulted Dr. Arnulfo Arias Madrid the hardest during the 1984 electoral campaign," Cochez

added. He stated that as a reward for doing this, Guillermo Rodolfo Valdes has been appointed public relations director at the office of the mayor of Panama City. Cochez said that, "along those same lines," other appointments are being planned within the government headed by Guillermo Endara Galimany.

"Quite definitely, those of us who can add know that one plus one equals two, but we sometimes feel that the president cannot even do that," Cochez said. Cochez added that a pact or agreement was made under the very nose of the president and he did not even know what was going on.

The vice president of the PDC made these charges after PRD Secretary General Ernesto "Toro" Perez Balladares suggested to the current government that a national economic development plan, which he called the Great Social Pact, be drafted. This suggestion was made during a PRD meeting at a hotel in Panama City.

The Great Social Pact presented by the PRD secretary general includes, among other things, political asylum for Panamanians who have requested it or the drafting of a political amnesty law that, according to the PRD politician, "must be accompanied by a change in the government's attitude toward the opposition parties."

According to "Toro" Perez Balladares, the political amnesty law must put an end to the political trials. He added that the Panamanians who are currently detained and are facing political charges "presented in reprisal by current officials, or detained for other reasons that do not justify arrest, must be released."

Perez Balladares explained that PRD members are taking the first step in searching for a real national reconciliation. They are searching for an "agreement that will prevent a social explosion, to which the struggle for political positions, caused by the lack of response to the huge social problem, is quickly leading the country."

Noriega's Ties With Castro, Alan Garcia Explored

PA2804040291 Panama City *EL DIARIO*
INDEPENDIENTE in Spanish 26 Apr 91 p 22

[Report by Marshall McKleen]

[Excerpts] Attorney General Rogelio Cruz leaves today for Miami, Florida, with the specific objective of analyzing the possibilities of extraditing former strongman General Manuel Antonio Noriega Moreno to Panama. This will be the first of many journeys that other Panamanian officials will have to make so that the alleged drug-trafficking and money-laundering processes against Noriega can be expanded, thus enabling Panamanian authorities to learn who were Noriega's direct contacts and accomplices for these operations in Panama, which generated millions of dollars both in Latin American countries and the United States. [passage omitted]

Fidel

Authorities are currently investigating the relations of Cuban President Fidel Castro and former Peruvian President Alan Garcia with Noriega. Garcia deposited \$50 million in an account at the International Credit and Commerce Bank in the name of his wife.

Alan Garcia, who had contacts with Noriega, may also be involved in the money-laundering and drug-trafficking case, where Noriega appears to be the brain of the entire operation. Peruvian judicial authorities have not ruled out the possibility that Garcia could be investigated for crimes both in Peru and the United States.

President Fidel Castro has been implicated as Noriega's link in arms-trafficking activities and laundering of drug money in Latin America. Therefore, corporations belonging to Fidel Castro in Panama are being investigated to corroborate the truthfulness of their participation in the Noriega case.

Legislators

A reliable source has reported that there are politicians and legislators who could be representing the interests of Castro, ranging from naval to import and export corporations, in our country. The much-publicized legal case against Noriega may reveal that legal firms, public accountants, and customs brokers may have helped Noriega form corporations with drug money, which could be currently making a lot of money. Thus, the possibility that legal firms, public accountants, and customs brokers may have direct or indirect relations with Noriega, Fidel Castro, and even Alan Garcia should not be ruled out.

Finally, officials from the Drug Enforcement Agency (DEA), Interpol, and other private investigation agencies are already in Peru gathering evidence on the alleged links between Alan Garcia and his wife with Noriega.

Argentina

Cavallo Denies Upcoming Meeting With Bush

PY2604150491 Buenos Aires NOTICIAS

ARGENTINAS in Spanish 1324 GMT 26 Apr 91

[Text] Buenos Aires, 26 Apr (NA)—During a harsh exchange with a journalist this morning, Economy Minister Domingo Cavallo flatly denied that he was planning to meet with President George Bush to discuss the political situation in Argentina.

Answering a Radio Mitre journalist who gave that information, Minister Cavallo said: "I am not the foreign minister; I am the economy minister. The government has not considered that I should meet with President Bush."

The economy minister said, during the harsh exchange over the radio program with the journalist, that the information on that meeting was "an invention," and charged the journalist with having distorted his statement on the freezing of salaries for civil servants and retirees.

During the exchange, the journalist defended his right to inform and reiterated that the report carried in a Buenos Aires daily [not further identified] is true. By the end of their conversation, however, the minister and the journalist had recovered their good humor.

Cavallo, who is now in Washington where he will attend an IMF meeting, said that his mission in the U.S. capital "is not crucial" for the economic plan being implemented in Argentina.

He also said that the WALL STREET JOURNAL article on the "Argentine connection" with drug trafficking and money laundering "raises no concern."

The minister noted that the "firmness" with which President Menem and the executive branch have supported the investigations by the judicial branch is obvious in that article.

Discusses Economic Plan

PY2804215091 Buenos Aires BUENOS AIRES

HERALD in English 27 Apr 91 p 5

[Text] (NA-DYN)—Economy Minister Domingo Cavallo yesterday denied from the United States that the Acindar [Argentine Steel Industry Inc.] crisis was a result of the convertibility plan and accused those who spoke of the Argentine currency being overvalued as "not knowing what they were talking about."

Cavallo, who yesterday met with US Vice President Dan Quayle, denied that he would also meet US President George Bush. He said that he was not negotiating the continuity of his economic plan with the US authorities but simply explaining it.

The minister then turned angrily on two Radical economists who said that the exchange rate of the dollar was low, saying they "did not know what they were talking about" because a fixed exchange rate and convertibility were two completely different things.

But back in Buenos Aires Planning Secretary Vittorio Orsi described the dollar as 15 percent undervalued and said an exchange rate of 10,000 australs could only work if prices were reduced.

Cavallo went on to say that convertibility and inflation were mutually exclusive, forecasting that inflation "in the traditional sense" would cease to exist in Argentina.

The economic czar expressed surprise that Acindar had laid off its entire work force at a time when demand was picking up. He therefore refused to see any relation between the layoffs and his plan.

Cavallo expressed reluctance to pay the International Monetary Fund (IMF) 1.3 billion (thousand million) dollars, saying that Argentina had earmarked 2.5 billion dollars and would thus not have much to spare for commercial banks. He said the government was seeking a stand-by loan from the IMF in order to pay these banks more than a nominal 60 million.

The minister was supposed to meet up with Firestone executives to discuss the tyre and rubber company's alleged tax arrears of 100 million dollars but there was no report of any such meeting at press time last night.

Firestone claims that it has already paid all its taxes via fiscal credits but the Tax Bureau (DGI) said these were unacceptable since many were fraudulent. The Koner-Salgado group, whose head is currently jailed, dealt in these fiscal credits.

The DGI yesterday issued a statement saying that it could not assume responsibility for any bankruptcies which might arise out of a company's tax problems.

Labor Leader Criticizes U.S. Ambassador

PY2704015691 Buenos Aires NOTICIAS

ARGENTINAS in Spanish 1805 GMT 26 Apr 91

[Text] Cordoba, 26 April (NA)—CGT Azopardo [General Confederation of Labor-Azopardo faction] Secretary General Saul Ubaldini has said that "the only thing the U.S. ambassador has not done yet is participate in national cabinet meetings." Ubaldini criticized the government's economic plan and the political leadership "because they are not willing to sit down and discuss a serious plan to solve Argentine problems."

Ubaldini made these remarks during a television program in Cordoba. The labor leader said his faction "is not the government's opposition, but neither is it submissive." Ubaldini added: "We cannot enter the first world by letting workers go hungry; we have to do it with genuine development and social justice. We will not join

the developed world by participating in the Gulf war or by issuing pardons, but with a program that contemplates national interests."

Ubal dini said he "agrees with some aspects of the present economic plan, but sharply disagrees with other aspects."

The secretary general talked about the conflict at Acindar [Argentine Steel Industry Inc.] in Villa Constitucion and wondered how "a general and a dictator can solve entrepreneurial problems in a democracy by ideologically disqualifying our comrades who are legitimate representatives of the grass roots."

Ubal dini criticized the governor of Santa Fe for announcing that he will talk with the U.S. ambassador to analyze the problem at Acindar. About Terence Todman, Ubal dini said: "The only thing that the U.S. ambassador has not done yet is participate in national cabinet meetings."

Ubal dini added: "The clearest example of the inconvenience of the labor flexibility law is precisely the Acindar problem."

The labor leader said that "for needed investment to come to the country we need other types of guarantees; we need to do and offer things that are different from the flexibility that is used against labor interests."

Tons of Earthquake Aid En Route to Costa Rica

*PY2704180091 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1226 GMT 27 Apr 91*

[Text] Buenos Aires, 27 Apr (NA)—At 0800 today an Argentine Air Force C-130 Hercules departed for Costa Rica carrying 15 tons of aid, mostly powdered milk, for distribution to the victims of the earthquake that devastated that Central American country.

The plane carrying aid donated by the Argentine Government is scheduled to return tomorrow to the El Palomar 1st Air Brigade, from where it departed today.

Country Planning To Restore Ties With RSA

*MB2604090091 Umtata Capital Radio in English
0800 GMT 26 Apr 91*

[Text] A senior Argentinian diplomat says his government plans to restore diplomatic ties with South Africa. He says the move has been in the cards ever since state President F.W. de Klerk announced his plans to repeal the remaining apartheid laws.

Full diplomatic relations will probably be restored after the planned visit to Argentina in July by ANC [African National Congress] Deputy President Nelson Mandela.

Bilateral trade relations between the two countries have been continuing in the past year. A Foreign Ministry spokesman says he hopes this will be boosted once diplomatic ties are restored.

Gonzalez Says 'Calm' Prevails in Military

*PY2604132691 Buenos Aires TELAM in Spanish
0010 GMT 26 Apr 91*

[Text] Puerto Belgrano, 25 Apr (TELAM)—Defense Minister Antonio Erman Gonzalez today asserted that "the situation within the Air Force is one of absolute calm," adding that the technological development mastered by Argentina in the construction of the "Condor-2" missile should be used for peaceful purposes.

Gonzalez spoke to TELAM about the situation created within the Air Force due to alleged changes in its leadership and the unrest over investigations at the Ezeiza customs office. He said: "There is absolute calm because its existing procedures are considered to be correct. They will stand until a court rules differently."

Referring to his relationship with Economy Minister Domingo Cavallo, Gonzalez asserted: "There are no problems. Within a working team there is always the possibility of a disagreement over a determined situation, path, or procedure but this is by no means represents a confrontation or a clash because we are all working for the same objective; the peoples' wellbeing."

Minister Gonzalez announced that he will travel to the United States on 5 May "to discuss with World Bank authorities the possibility of obtaining credits to enable us to study enterprises in the sector being subjected to the privatization plan."

He added that during August and September "some enterprises in the defense field will begin the privatization process."

Referring to the satellite vector or missile "Condor-2," Minister Gonzalez said: "We must now negotiate the use of this technology that has been mastered by Argentina, through a technical cooperation agreement with the United States, for civilian purposes."

Gonzalez said: "We are not engaged in the arms race. We want technological and scientific development that can guarantee our economy, our industry, and our defense", adding that this technology could be exported for peaceful purposes "if convenient deals for Argentina appear."

Gonzalez concluded by stating that a possible salary increase for military officers "will continue to be discussed with Finance Ministry authorities."

Communications Secretary Resigns for Health Reasons

*PY2704015691 Buenos Aires BUENOS AIRES
HERALD in English 26 Apr 91 p 11*

[From the "Argentina in Brief" column]

[Text] (DYN)—President Carlos Menem accepted yesterday the letter of resignation from Secretary of Communications Fernando Niembro. Niembro had presented a letter of resignation last month, which Menem

rejected. However, due to health reasons alleged by the communications secretary, the President felt compelled to accept Niembro's resignation this time. Niembro's successor has not been announced yet.

Bolivia

Bomb Detonated at Ministry Building

PY2704033691 Madrid EFE in Spanish 0209 GMT
26 Apr 91

[Excerpt] La Paz, 26 Apr (EFE)—It has been officially reported that today personnel from the Bolivian fire department detonated a powerful bomb at the building where the Ministry Without Portfolio is located.

The bomb was found on the sixth floor of the communications building, where the Ministry Without Portfolio is located. Personnel from the fire department detonated the bomb on the ground floor of the building located in downtown La Paz.

Fire Department Chief Sergio Hernani said the bomb was "very powerful" and was located after an anonymous phone call reported the bomb. He added that no group has claimed responsibility for this incident. [passage omitted]

Brazil

Military Ministers Oppose Agreement With U.S.

PY2604114491 Sao Paulo FOLHA DE SAO PAULO
in Portuguese 24 Apr 91 p 4

[By Sonia Mossri]

[Text] Brasilia—The military ministers oppose the resumption of the military cooperation agreement with the United States that was severed in 1976 during the administration of [former President Ernesto] Geisel. The military officers feel that the agreement only served to transfer obsolete equipment to the Brazilian Armed Forces and thus benefit the U.S. materiel industry.

Aeronautics Minister Socrates Monteiro said yesterday: "There is no interest in the agreement." He said that the signing of the cooperation agreement with the United States has not been discussed at the Aeronautics Ministry. "We are not studying it," he said.

Foreign Minister Francisco Rezek believes: "The agreement is possible and can take place at any moment." The military ministers have termed this as meddling in an area exclusive to the Armed Forces.

The military ministers attribute the resumption of the cooperation agreement to strong pressure by the U.S. Department of State, as a result of the lobby [preceding word given in English] of the U.S. war industry.

That lobby gained momentum after the Persian Gulf war because of the participation of Brazilian military equipment and the counsel of Brigadier Hugo Piva to the Iraqi Army.

The U.S.-Brazilian military cooperation agreement began after the Second World War, featuring the Training Unit Group [Grupamento de Unidade-Escola] in Rio de Janeiro as a key element. That was, until the 1964 military uprising, the only unit to have modern military equipment, in contrast to the rest of the Army.

After 1964, the State Department supplied materiel from the U.S. war industry to practically all Armed Forces' units. According to the military ministers, that equipment included obsolete U.S. military equipment such as 4.2-inch heavy mortars.

The Army Ministry feels that equipping the Armed Forces is incompatible with the situation of the other Latin American forces, despite the well-known Argentine superiority in the naval and aeronautics sectors.

GATT To Mediate in U.S.-Brazil Dispute

PY2604130691 Rio de Janeiro O GLOBO in Portuguese
25 Apr 91 p 28

[By Debora Berlinck]

[Excerpt] GATT, the organization that regulates international trade, decided yesterday to create a special group of experts to mediate a dispute between Brazil and the United States on the trade of shoes. Brazil wants the United States to return the \$140 million that the U.S. Government obtained through extra taxes on Brazilian shoes between 1 January 1980 and October 1981.

The U.S. Government charged the extra tax to U.S. importers of Brazilian shoes under the pretext that Brazil was subsidizing its shoe exports and was thus unjustly hurting the U.S. shoe industry.

Yesterday's vote during a GATT Council meeting was welcomed by the Brazilian delegation because more than 130 countries supported the Brazilian proposal to create a group of experts to decide the question. The group will have 90 days to decide on the issue. If Brazil obtains a favorable decision, the United States will have to refund the money collected through the extra tax to the U.S. importers of Brazilian shoes. [passage omitted]

Editor Criticizes Collor Government in Letter

PY2904025891 Sao Paulo FOLHA DE SAO PAULO
in Portuguese 25 Apr 91 p 1

["Open Letter to Mr. President of the Republic" by FOLHA DE SAO PAULO Managing Editor Otavio Frias Filho]

[Text] As head of the present government, you, sir, have clamored for a national understanding. In the past, your opinion was that such an understanding already had

occurred during the election when you defeated "the elites," a word you use when referring to Brazilian society's organized institutions. After impoverishing the population, selling the fantasy that national problems can be solved with magic, violating the Constitution, humiliating Congress, sending the country into a deep recession, and, naturally, failing—of course, in light of the wild expectations you created—you, sir, decided to wear a lamb skin and resort to the need for a national understanding. This understanding, sir, is just another name for your total inability to solve national problems after barely a fifth of your mandate.

The agreement you are thinking about just seems to be submission to the whims of the ruler. You have yet to learn the basic notion of citizenship. Brazilian society's goodwill with the promises you have made, and which you have not been able to fulfill, has been enormous, almost incredible. You have taken this goodwill for granted, but it is not unconditional or inexhaustible. After 20 years of a dictatorship that was said to have been imposed to defend democratic ideas—that was, incidentally, your school—I do not think the population will be inclined to tolerate another pretense of democracy.

Despite the undeniable efforts that you, sir, devote to dismantling political parties, destroying businesses and unions, suffocating cultural organizations, and intimidating the press—taking advantage of the ideological disorder of our times; despite your efforts to indiscriminately monopolize causes from the most stingy moralism to the ecology; despite your inspiration found in stereotypes that sometimes befit fascism, sometimes social democracy, but always throw a glittering mist of confusion on society; despite all this, sir, you must listen to voices capable of saying no. They are becoming more and more numerous. The poor and misinformed population is still disconcerted by your unrestrained capacity to manipulate the press, power, and symbols of wealth. Where information circulates unhindered, reactions vary between irony and rejection of government attitudes that are deemed truculent, aggressive, unworthy, and pathetic.

You, sir, have sued me and three other FOLHA journalists. Very well, it is your right. But this process—you, sir, know it as well as I do—is barely the visible tip of an iceberg of attacks, discrimination, threats, and violence against this newspaper. I am aware of the anxiety—formidable in a person with so many grave and real problems to deal with—with which you question your advisers every day about the situation of the trial against FOLHA. I know you have placed the entire state apparatus against this newspaper, in which you seem to identify a dangerous example of independence that must be punished, of pride that must be destroyed, and of vigilance that must be repressed.

I am being hard, frank, and honest regarding you, sir. Perhaps it will be useful to the country if someone speaks loudly and clearly about things that people comment on

behind your back. FOLHA supports the general guidelines of your proposal to control inflation. We support similar ideas on privatization, reduction of the state apparatus, the fight against social and regional inequities, technological modernization, the fight against the economic predominance of the few, and Brazil's integration into the international market. Incredible as it may seem, and from a programmatic point of view, the newspaper's positions and your positions agree more often than they disagree.

The problem is the abyss between what you say and what your government does, between the liberal rhetoric and the brutal action, between the professed action toward privatization and the practice of interventionism, between the frantic aspiration of reaching first-world level and the strongly rooted interior militarism, between the West and Miami [as published]. I must confess that as a Brazilian citizen, I am fed up with your attempts to deceive, disorganize, and patronize our society.

Like me, many people are no longer willing to compromise with your government's instability; with the successive arbitrary measures, which sometimes go against each other; with the package of measures; the confiscations; the lies; and the vulgar exhibitionism that plagues the government as a whole.

Let us hope that you, sir, will drop your charges against my colleagues and center your rancor on me since you wish to attack FOLHA in its capacity as an institution. At times, I have been advised to adopt a true and simple opposition line against your government. Although you, sir, may try to force me to do this, I refuse to yield because it would mean compromising the line we have tried to follow even before you, sir, even dreamed of reaching the presidency. I believe the media's role is apolitical, that its role is to criticize in general. It is not a matter of supporting or opposing governments. Unfortunately you, sir, show no aptitude or intellectual ability to accept different points of view, the conflict of ideas and versions, the free course of information, and the political relaxation that only a free press is capable of guaranteeing. You, sir, demand unconditional approval and surrender. I must tell you, sir, that the more you persecute this daily, the greater the courage I see in the eyes of journalists—and not only those who work for FOLHA.

Try me for what I really think and say rather than use the excuse of two harmless, meaningless, unsigned articles published, what is more, when I was on a leave of absence. FOLHA has already stated and reiterated that there was no malice or intention to malign you, sir, or any member of your government. Moreover, it does not sound right for someone who has yet to prove his charges of corruption against former President Sarney and who used unmentionable language against the current Rio de Janeiro state governor to talk about offenses. The truth is that you are not really interested in restoring your allegedly offended image. If this were the case, you

would have adopted measures against the other three dailies that published the same articles. The day before they were published by FOLHA, a Rio de Janeiro daily published similar information and you, sir, never batted an eye. If you had really been offended, the daily owned by your family would not have acquired, shortly after the two articles were published, the copyright for the same FOLHA column in which they were published.

It is odd that the only Brazilian publication that has daily space for corrections and that pays one of its journalists just to publicly and harshly criticize its own issues is being tried under a cowardly and selfish silence by the entire media. This newspaper has never asked a favor of your government and has never given in to the almost instinctive need that you, sir, have to silence it. I regret to have to conclude that FOLHA is on trial not for its faults, which are many, but for its virtues, which make me proud. What is at stake is finding out if a newspaper like this can exist in a country like ours. What is at stake is deciding if, from here on, the nation will have an dauntless, free press or a fearful, subjugated press.

Let us see. I am on the plain outside; you are inside the castle. I am surrounded by friends, male and female, who owe me nothing; you are surrounded by pale courtiers. I struggle for my freedom; you struggle for your wounded vanity. My reasons are of public and general interest; your reasons are of personal interest and as melancholic as your own solitude. I defend for everyone the possibility of expressing what he thinks without going to jail for doing so; you clutch the press law of the military regimes. I try to follow the example of the great journalists of the past; you descend to the selfishness of tyrants. I defend a right; you propose bondage. A sentence will bring shame upon you and honor upon me. Your government will be swallowed by the passage of time until only a faded reminiscence remains, but this newspaper—provided it continues to live up to its commitment to its readers' right to know the truth—will endure. Even you can understand why the cause I serve is greater and mightier than the one you serve.

Chile

Aylwin Returns, Reports on Tour of Europe

PY2704021691 Santiago Radio Chilena Network in Spanish 1700 GMT 26 Apr 91

[Excerpts] President Patricio Aylwin returned to Chile this morning. At 1030 he arrived at La Moneda Palace, where he was honored by the guards.

Aylwin, who was accompanied by Vice President Enrique Krauss, went to his office on the second floor of the government palace and then to the Honor Room [salon de honor] where he reported for approximately 25 minutes on the results of his visit to Europe.

Aylwin invited several government officials, representatives from the labor sector and social organizations, and

mayors to the ceremony. The Armed Forces commanders, except for General Augusto Pinochet, also attended the ceremony. [passage omitted]

Aylwin gave a full report on his 20-day tour of Europe. [passage omitted]. He admitted the people's skepticism about the objectives of these trips since the advantages of such trips is not clear to them.

[Begin Aylwin recording] If they ask me what kind of business I concluded, what investment I brought, I did not go as a business agent, I did not go to either sell merchandise or contract investments. I went to report about our country's problems so they can be understood by the rest of the world. [end recording]

He added that his trip was a worthwhile effort that will benefit all Chileans. He also voiced his deep satisfaction over the respect accorded to Chile abroad. He said that kings, presidents, and congressmen value the peaceful democratic process being carried out in Chile.

[Begin Aylwin recording] I cannot conceal my emotion because [words indistinct] a homage to a person. It was a homage that, in my name, the Spanish king and queen, the queens of Great Britain and Holland, the Italian president, his Holiness the pope, and the German president paid to the Chilean people. [end recording]

President Aylwin stressed that his tour made it possible to take the first steps toward more mature relations between Latin America and Europe. In this regard, he said all of them had the opportunity to see the image of a respectable country that does not ask for charity.

Pinochet To Tour UK Military Industries

PY2704124091 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 27 Apr 91

[Text] Army Commander General Augusto Pinochet Ugarte will travel to England shortly where he will visit several military industries.

This information was disclosed by the Army, through a communique issued by its public relations office. The communique states that Pinochet will travel to England in response to an invitation extended by the UK Army.

Foreign Minister Returns, Hails Luxembourg Talks

PY2904031291 Santiago Television Nacional de Chile Network in Spanish 0000 GMT 29 Apr 91

[Excerpt] The plane bringing Foreign Minister Enrique Silva Cimma back from Europe landed in Santiago at (?1000). Silva Cimma returned to the country after attending a meeting in Luxembourg between EEC representatives and Rio Group foreign ministers.

[Begin Silva Cimma recording] The Luxembourg meeting was very successful to the point that it was decided to hold the next meeting of EEC representatives and Rio Group foreign ministers in Santiago during the first half of 1992. I would say this marks the culmination

of the process of bringing Chile back into the international community and the beginning of a new stage of monitoring all the proposals we have made and which the president reiterated and categorically emphasized on every leg of our tour. [end recording] [passage omitted]

Carabineros Chief 'Annoyed' by Torture Statement

PY2704004491 Santiago Radio Chilena Network in Spanish 1700 GMT 26 Apr 91

[Text] Carabineros Director General Rodolfo Stange has expressed his annoyance with statements made in Geneva by Roberto Garreton, Foreign Ministry adviser for human rights affairs, saying that police organizations reportedly tortured people during the democratic government. He said: I guarantee the actions of the institution I am heading, and I am very surprised that a person with the rank of special ambassador would report to international organizations on matters that have not been investigated. If the ambassador has proof, he must report it to the court. I was very annoyed to learn that such a matter was reported to an international organization.

As is known, acting Foreign Minister Correa said yesterday that Garreton admitted in Geneva that 36 cases of torture were reported in Chile but he did not give any assurances that these acts had been proved. Stange voiced his annoyance after a traditional ceremony to honor Carabineros martyrs.

Krauss Denies Charges

PY2904010291 Madrid EFE in Spanish 0326 GMT 4 Apr 91

[Text] Santiago de Chile, 26 Apr (EFE)—Interior Minister Enrique Krauss today categorically denied the occurrence of cases of torture during the first 12 months of President Aylwin's democratic administration. In a news conference at La Moneda Palace, Krauss rejected the charges made by Roberto Garreton, Foreign Ministry adviser for human rights affairs, before the UN Commission on Torture in Geneva, Switzerland.

Krauss admitted that there have been charges of torture and said that all of them were investigated, adding that none of them were proved. He said that only some excesses were proved and the Carabineros (the militarized police) have sanctioned those responsible.

Carabineros Director Rodolfo Stange, in turn, rejected the charges made by Garreton. He said: It is strange that "a person with the rank of special ambassador would report to international organizations on matters that have not been investigated."

Naval Court Dismisses Altamirano Sedition Case

PY2804035891 Santiago Television Nacional de Chile Network in Spanish 0000 GMT 28 Apr 91

[Excerpt] The Naval Court has definitely dismissed a prosecution case against former Socialist Party Secretary

General Carlos Altamirano. The Naval Court, which has been handling the case against Altamirano for 18 years, has ruled that the crime has been prescribed, but it reasserts the participation of the former Popular Unity [UP] leader in a sedition case. [passage omitted]

Teitelboim: No Use of Weapons To Challenge Regime

PY2704131091 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 27 Apr 91

[Text] Volodia Teitelboim, secretary general of the Communist Party of Chile [PCCh], has stated at La Moneda Palace that weapons must never be used to challenge a democratic regime.

Teitelboim added that a military rebellion must be punished as it deserves; therefore, it would be good if the Constitution contained an article to this end.

The PCCh leader denied that there is the threat of a military coup for the time being, but he noted the existence of destabilizing signs promoted by certain people and added that, after all, terrorism benefits nobody.

Teitelboim urged extremists not to use their weapons, but when he was asked whether he favored handing them in, he did not give a specific answer. Teitelboim said: I am against people using weapons, and by no means should they become a threat to the current regime.

Political Youth Groups Repudiate Violence

PY2704163891 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 27 Apr 91

[Text] The chairmen of the youth organizations of four political parties have signed a document for peace in Chile.

The document states that there will be no peace in Chile without truth and justice. The groups all agree that there will be no human force capable of restoring peace in Chile if peace does not prevail in the heart of each and every Chilean citizen. Therefore, they request the judicial branch, regardless of how it interprets the amnesty decree law, to never give up investigating the whereabouts of hundreds of Chileans who require a Christian and worthy burial. This is part of the document signed by Gonzalo Cornejo, chairman of the UDI [Independent Democratic Union] youth organization; (Marcos Nunez) of the Party for Democracy youth; Felipe Guevara of the National Renewal Party youth; and Sergio Micco of the Christian Democracy Party youth.

Marcos Nunez noted the need for forgiveness to be able to restore peace.

[Begin Nunez recording] Forgiveness is, undoubtedly, necessary to restore peace in Chile. If peace does not prevail in our hearts no political, judicial, or administrative measure will be capable of attaining the desired objective. Forgiveness will prevail in Chile once those

who are guilty of crimes repent their actions, repair the damage caused as best as they can, and sincerely promise never again to commit crimes. Chile requires concrete actions in this direction. [end recording]

Further on the document states that, quote, some of us accept not having assessed, to its full extent, the danger of violence in Chile, and we recognize that we underestimated the terrorists. [no closing quote as heard] The document adds: We will not make this mistake again, and we must isolate and condemn extremist actions of any tendency and reject any ambiguous political attitude regarding this tragedy.

The document ends by urging all Chileans to turn in the weapons they have carried at some time because peace can only be restored through truth.

The youth groups add that the document is open to all Chilean political youth who wish to sign it and that they will send it to the most representative Chilean authorities.

Colombia

* 1992 National Oil Production Forecast

91SM0280C Medellin EL COLOMBIANO in Spanish
13 Mar 91 p 10-A

[Text] Bogota (Colprensa)—Oil production may reach a daily average of approximately 500,000 barrels by 1992, according to the projections of the Mining Ministry.

It also estimates that after 1993 there will be a slight decline, and that some surplus will be exported until 1997.

The diagnosis takes into account the addition of the crude produced at Cocorna and Nare, in the Magdalena Medio of Antioquia, which is intended for domestic refining.

Vice Minister of Mines Amilkar Acosta Medina said that the country will continue to import gasoline, and that before the new refinery at Puerto Triunfo comes on line, the central region of Colombia will have a shortfall of nearly 50,000 barrels per day.

The official indicated that under these circumstances, the supply of clear products is manageable for the rest of the decade.

He stated that by the early years of the 21st century it will certainly be necessary to restructure and expand the installed refining capacity, possibly turning some medium-conversion plants into high-conversion plants.

Acosta indicated that in this way, it will be possible to increase domestic production of clear products and also to respond to the contraction of the international fuel oil market.

Supply

With regard to regional supplies, the Mining Ministry projects that the refinery in Cartagena may be able to meet the needs of the Atlantic Coast through the first five years of the next century.

The imbalance in clear products, especially gasoline, can be seen in the interior of the country.

Gasoline and diesel are the clear products that are most in demand nationally, currently constituting 88 percent of the total volume. With the gradual replacement of cooking oil and kerosene, by the beginning of the next century these two products could account for 93 percent of this demand.

According to the ministry's study, the system for supplying fuel to the western region of the country is encountering increasing difficulty in obtaining adequate supplies.

Commenting on this situation, the vice minister of mining said that what is needed is a quick solution that will take into account the adaptation of the facilities at the port of Buenaventura to receive larger quantities of imported gasoline or coastal traffic from the north coast.

He indicated that another alternative is to relieve the bottleneck in the Medellin-Yumbo pipeline, which requires the construction of a pumping station near the capital of Antioquia.

Gas From Venezuela

In addition, the governments of Colombia and Venezuela are investigating the possibility of building a binational gas pipeline. The first steps toward that end were taken at the recent meeting of experts and officials from the two countries on 4 March.

This project would fulfill a fundamental objective, the direct importation of gas by Colombia, announced the director of corporate planning for the Colombian Petroleum Enterprise (Ecopetrol), Luis Yepes.

Both the meeting in Caracas and the gas pipeline project have come about as a result of the interest expressed by Venezuelan President Carlos Andres Perez and Colombian President Cesar Gaviria Trujillo in putting together policies of cooperation and development in the energy sector.

The gas pipeline, which would run from Maracaibo, Venezuela, to central Colombia, would vastly increase the use of gas in our country, predicted the official.

Paraguay

Bank President on Possible Money Laundering

PY2704120091 Asuncion NOTICIAS in Spanish
26 Apr 91 p 12

[Text] Jose Enrique Paez, president of the Paraguayan Central Bank (BCP), said yesterday that the BCP is investigating some possible cases of "laundering" of money stemming from the international drug trade. He made these remarks when he was asked to comment on a U.S. State Department report.

The State Department has noted that because Paraguay is one of the few countries where one can easily operate with large amounts of cash, it is particularly attractive for money "laundering" operations. Charles Morley, a U.S. expert on money "laundering" questions, said that cash transactions are easy in a parallel market through which large amounts of money are channeled.

Paez said that the Superintendency of Banks is monitoring financial operations, "to determine how these operations are conducted and whether they are conducive to the 'laundering' of dirty drug money."

Paez noted that although there are no specific signs that money laundering operations are taking place in our country, he did not rule out this possibility. He said: "We cannot give an opinion about that, but we will conduct an investigation to be able to do so." He said it is difficult to keep track of the amounts and sources of money in a free-market economy.

The Superintendency of Banks can, however, monitor the daily movement of the money exchange operations through banks, financial institutions, and money exchanges. The BCP cannot control, however, operations conducted through street money changers. Thus, it is feared that operations with narco-dollars could be made through them.

Peru

Fujimori Vows To End Terrorism During Term

PY2804033691 Madrid EFE in Spanish 1626 GMT
27 Apr 91

[Excerpt] Lima, 27 Apr (EFE)—Peruvian President Alberto Fujimori said that during his presidential term, which ends in 1995, he will end terrorism in Peru. In recent days there has been a significant increase in terrorism with a wave of murders and attacks. The president said the latest criminal campaign is an "understandable" reaction after the "harsh blows" that have been inflicted on the Shining Path and the Tupac Amaru Terrorist Movement (MRTA). The president made this statement on 26 April after attending some Army maneuvers near Lima.

The president said he "will give no respite" to subversion, and it "will be defeated" before he concludes his five-year presidential mandate, which began on 28 July.

At least 52 people died this week during the campaign of violence unleashed by subversive groups.

A car bomb exploded last night near the offices of the Freedom and Democracy Institute (ILD) in Lima, causing a great deal of property damage and injuring three guards. Other bombs exploded in the Ignacio de Loyola Computer Institute, which is in a residential area in San Isidro District, near the Mexican and Cuban Embassies and the Bar Association.

On 25 April, terrorists attacked about 50 bank branches, causing property damage estimated at \$2 million, according to figures released today.

President Fujimori's decision to arm the peasant defense patrols with shotguns has prompted Shining Path members to attack, with all their might, the peasant groups that resist them, especially in the Peruvian central mountain region. [passage omitted]

More Evidence Heard Against Former President

PY2704130291 Madrid EFE in Spanish 1830 GMT
25 Apr 91

[Text] Lima, 25 Apr (EFE)—Former President Alan Garcia has \$50 million deposited in banks in the United States, Spain, and Belgium, according to a congressional committee that bases its information on the documents of two U.S. corporations.

One of the documents involves former Panamanian chief of state Manuel Antonio Noriega.

The reports were submitted to the Chamber of Deputies, which, in view of the new evidence, decided to extend for another 30 days the mandate of the Olivera Committee, which is investigating Garcia for alleged illegal enrichment during his tenure as president, which concluded nine months ago.

Garcia has announced that he is going to sue the Larc Investigative Service of Miami and Kroll Associates [institutional names in English] of New York, for libel. The two enterprises provided the reports to the committee, which is headed by Fernando Olivera, an independent deputy.

A note attributed to the former president and disseminated in Congress states that the documents "are ambiguous and do not provide concrete proof."

At least one of those enterprises has investigated the existence of hidden assets of other chiefs of state, and it has been reported in Lima that Kroll Associates discovered an account in Switzerland containing \$10 billion belonging to Saddam Husayn.

The reports that have been given to the Olivera Committee indicate the existence of checking accounts,

deposits, and transfers in Garcia's name and in the two surnames of his wife, Argentine Pilar Nores Bodereau. The accounts existed between 1988 and 1989 in several banks in the United States, Spain, and Belgium.

Larc Investigative Service stresses that General Noriega introduced Garcia to a banker who received the deposits.

It adds that just before the former Panamanian strongman was arrested by U.S. authorities, the money was transferred to other banks in the United States, Spain, and Belgium.

The Bank of Credit and Commerce International, Sunbelt Savings of Dallas, the Santander Bank of Spain, the Bank of New England, Sotheby London, Chase Manhattan Bank, Centrust Miami [all institutional names in English], and the Societe General of Belgium are among the organizations involved.

According to the Peruvian press, the reports submitted by the two U.S. enterprises "have radically changed" the investigation on Garcia, which Deputy Olivera began because the former Peruvian president was accused of carrying out illegal real estate transactions.

Garcia recently denied the committee's charges of illegal enrichment, tax evasion, unjust collection of money, and falsifying public documents.

The former chief of state has stressed that he only has a chalet in Lima, a summer house south of this capital, and \$4,000 in the bank, and he maintains that he has always lived off what he earned as a lawyer, as a deputy between 1979 and 1985, as president between 1985 and 1990, and now as a senator for life.

Deputy Jorge del Castillo, one of Garcia's main defenders, has said that the accusatory reports "are the disgrace" of the international banking sector that "cannot see" Garcia "with good eyes."

During his tenure, Garcia, a leftist populist who became president in 1985 at the age of 36, maintained a strong confrontation with the private banking sector and with multinational development organizations due to the virtual suspension of Peru's payments on its foreign debt commitments.

The former president has stated that the accusations against him are due to the "orders of certain economic groups" that are "inciting" the investigation "in retaliation" for his having tried to turn the private banking sector over to the state in 1987, and he states that the Weisse banking family is related to Deputy Olivera.

* Business Groups Respond to Bush Initiative

91SM0271A Lima EL COMERCIO in Spanish
31 Mar 91 p 7

[Text] The country's business community believes the current situation requires that talks with the United States in connection with the Initiative for the Americas

concentrate for the time being on "more urgent" and "immediate" issues than the possible creation of a free trade zone.

Some of those issues are, for example, how to encourage investment, what can be done jointly to increase trade, what restrictions impede access to the American market and how to eliminate them, the general system of preferences, and so on.

One suitable forum for discussion of all such issues is the Peruvian-American Bilateral Council on Trade and Investment, whose creation businessmen are impatiently awaiting. In order to learn what the central and immediate concerns of business unions were, the Sunday edition spoke with Hernan Lanzara, general manager of ADEX [Exporters Association], Liliana Canale, manager of the National Exporters Association (SNE), Alberto Massaro, president of the National Agrarian Organization (ONA), and Salvador Majluf, president of the National Association of Industries (SNI). The following is a summary of what is uppermost in their minds.

ADEX

In order to gain access to the American market on a favorable footing, our country must first adopt a pro-export policy domestically in order to encourage businessmen to go abroad and increase their export volumes. Otherwise, neighboring countries will take better advantage of benefits to be derived from the Initiative for the Americas.

As far as what the Initiative has to say about investment, we think investments must be directed first and foremost toward export investment projects (in order to generate a new exportable supply) in sectors such as agroindustry, textiles and the garment industry, and fishing and thus create new jobs.

Concerning the foreign debt, our proposal would be to apply the debt-investment mechanism in export-oriented projects, for which purpose ADEX has a project bank.

SNE

Resolute support for Peru from the United States must be expressed in ways other than sporadic demonstrations of solidarity, for example, in concrete action enabling our export products to gain access to that country's market without all the limitations and the inflexibility that presently exist.

The General Preference System (GSP) itself contains the restrictive clause concerning the need for competition, which excludes products that are beginning to solidify their presence on the American market. In the case of Peru, this has happened with copper ore, cables and wire, which is why the SNE thinks it must be eliminated or, at any rate, that Peru should be exempt from its application for a period of at least five years.

It also thinks the United States should modify the treatment it reserves for textiles and ready-to-wear clothing, a priority sector for Peru because of its capacity for absorbing labor and developing projects that mature rapidly.

SNI

The Initiative for the Americas is a "good will" issue on the part of the United States toward Latin America, but further clarification is needed to make it viable.

We think that the experience of Mexico, which plans to finalize the continent's first free trade agreement with the United States and Canada by the end of the year within the framework of the Initiative for the Americas, can help other Latin American countries to decide what they must do in the immediate future.

One fact always to be borne in mind, however, is that the relationship between the United States and Peru is currently one of two unequal partners, due to the difference in their respective levels of development. Consequently, any negotiations must take this factor into account.

ONA

Promoting trade relations and cooperation between the United States and the rest of the continent presumes, in Peru's case, not only the abolition of existing trade barriers in order to generate a regional market governed by a system of minimum common tariffs, but also the parallel establishment of other mechanisms guaranteeing that such liberalization will not have a negative impact on national agricultural activity.

The strategic location of the Peruvian agrarian sector in relation to factors such as terrorist violence and drug trafficking has a strong influence on the country's economic life in general and makes it necessary for President Bush's proposals to contemplate channeling economic resources and technologies from the American Government toward the reorientation of national agricultural production.

"It is a known fact that the policy of government subsidies to certain types of agricultural production in more highly developed countries generates situations of unfair competition in the Third World that must be eliminated. In addition, the requirement that agricultural and agroindustrial production be aimed at those areas in which we enjoy comparative advantages presumes a policy of gradualism and the availability of resources we obviously do not possess."

Conclusions

Historically speaking, the United States has been the most important trading partner of Latin American and Caribbean countries, as well as one of their most significant sources of foreign investment. That is why the Initiative for the Americas, which contains not only proposals on trade but on investments and the foreign

debt as well, takes on special relevance for the region. This is particularly true when one considers the fact that, unlike other hemispheric proposals, it is not of a welfare nature and does not respond to traditional concerns for "security."

Now that the proposal "is on the table" as a general framework to be completed and improved, it is up to Latin American countries to formulate a "counterproposal" reflecting their priority interests and making it possible to maintain a relationship with the United States based on mutual respect, with no conditions or impositions of any nature.

In relations with the United States, we have traditionally preferred the bilateral over the community approach. However, a proposal such as the Bush Initiative deserves a combined rapprochement such as the one the Andean Group is trying to achieve. In this way, it will become feasible to institute a dialogue under better conditions.

One fact is evident: As long as our economies are not stable, as long as we have no economic or financial breathing room, the negotiation of a "free trade zone" will be well beyond the grasp of Latin American countries more involved in "putting out local fires." Consequently, during this phase in which they are not in a position to meet competition on an equal footing, it is advisable, as the first step, to have bilateral framework agreements accompanying whatever efforts are being made on the multilateral level.

Interest in improving relations with the United States must not mean that Latin American countries will abandon their efforts to diversify commercial and financial relations with the rest of the world.

There are obvious signs of a new way of thinking in many of our countries and associations of countries. No longer do they come together to "lament" the unequal treatment reserved for them by industrialized countries, but rather, to search for a way to gain access to more markets, expand foreign relations, become more competitive, and improve their capacity for negotiating with third parties.

* Minister Sanchez on Fujimori, Administration

91SM0271D Lima DEBATE in Spanish
Jan-Mar 91 pp 8-18

[Interview with Energy and Mines Minister Fernando Sanchez Albavera by Augusto Alvarez Rodrich; place and date not given; first paragraph is DEBATE introduction]

[Excerpts] DEBATE interviewed Minister of Energy and Mines Fernando Sanchez Albavera on issues completely unrelated to his own department, choosing instead matters having to do with the decision by a member of the Political Committee and national leadership of the Revolutionary Socialist Party (PSR) to join the Cabinet of President Alberto Fujimori, whose government has been

applying a drastic stabilization process. Sanchez-Albavera, secretary general of the Latin American Socialist Coordination, explains, among other things, his views on the current situation and the meaning of socialist positions in Peru, as well as the future of Fujimori's government. The interview was conducted before the recent Cabinet shakeup. [passage omitted]

[DEBATE] In your opinion, is there some process or country which, ignoring the factor of distance, could serve as a model for the application of a modern, viable socialism?

[Sanchez] Although one cannot impose models, given differences in individual circumstances, certain types of societies such as the social democracies in Holland and Sweden are interesting. They are fairly democratic systems in the sense that there is great participation by the rank and file and a strong presence of labor organizations in political life. At the same time, they have a strict business community, unlike ours in Peru. I think that in Peru, a new and very interesting business class is emerging that will take the place of the traditional entrepreneurial class once and for all. APEMIPE [Peruvian Association of Small and Medium-Sized Businesses] is the new Peruvian business class. It will probably take a long time to incorporate modern technologies, but it is definitely more Peruvian than the National Association of Industries (SNI). This may lead to misinterpretations, and I do not mean that some are more Peruvian than others, but they are more Peruvian in terms of their connection with the future of the country. There are businessmen whose mentality tells them to bleed the country and whose dream of a lifestyle is Miami, which, as a way of life, is rather poor! They could at least choose Paris! In that sense, the Peruvian aristocracy was far more cultivated and intelligent than is this mercantilist, entrepreneurial class. [passage omitted]

[DEBATE] How would you evaluate Barrantes' role in the evolution of the left?

[Sanchez] It should have been far more forceful, but Barrantes is a popular leader with an obvious future in Peruvian politics. He is a man who, as he assumes more decisive positions and sets himself apart from the extremists, as he already did in the election campaign, may rapidly find himself with the Peruvian people. Barrantes may have made many mistakes, but a government of his that is honest and efficient, like the one which, given its limitations, he formed in the municipality of Lima, is a moral reserve for Peruvian politics.

[DEBATE] In short, how would you describe the left today in Peru?

[Sanchez] As a group that resembles populist options. It has no political plan for society. Inasmuch as the statist model of society has collapsed on the international level, there is no alternative proposal because any proposal that is not statist presumes a pluriclass relationship, which is where it gets caught, chasing its own tail. I think

the Christians, the Socialist Political Action groups, and the Revolutionary Mariateguist Party have also initiated such reflection and it does not exclude those of us in the Socialist Left. People like Michel Azcueta, Agustin Haya, Henry Pease, and Rolando Ames also engage in it, sometimes for political reasons, naturally, because they prefer to stick to the traditional political machines of the left—which are obviously very useful in election processes—but they may lose sight of the fact that it is not the machine that is important, but the political purpose behind it. I think these political options will come together in the future, just as I also believe that in APRA [American Popular Revolutionary Alliance] there is a sector that is reflecting on how to overcome traditional populism. There are also groups of national businessmen who are now beginning to perceive that if they want to build a nation, they have to modify their behavior. It is therefore a matter of organizing what we might call instrumental parties, which are the ones that will have the best possibilities in the future.

[DEBATE] In that connection, how do you interpret the results of the past elections? [passage omitted]

[Sanchez] A combination of these factors: honesty, technology, and work, makes up a political platform with a rapid, well-defined, concrete social base. The large number of small industries, of members of evangelical groups, and university professors would enable one to organize an unstoppable political platform. Perhaps I am rationalizing the political purpose and it was not thought out in that way, but the results tell Alberto Fujimori that he designed a new political program capable of defeating traditional political parties. For that reason, his victory is a historic moment unlike the charisma of Ricardo Belmont or comparable to what might be expressed electorally by Fernando Olivera, who is also a political phenomenon in the 1990 elections.

[DEBATE] Actually, Fujimori devised a good plan for winning the elections and defeating the traditional political class. But to what extent can he organize a plan that might become a real alternative for an actual government administration?

[Sanchez] As the instrumental party which it is, it has no commitments. It is a movement that claims to resolve specific problems and be judged by its results, a kind of national management for specific objectives. That is the orientation and rallying power of the president. It is why many people will feel attracted by such a government, because it does not consist of a personal wager on the future of the president, as in the case of Alan Garcia. It is a wager on efficiency. President Fujimori wants to be measured historically by the results of his government. [passage omitted]

[DEBATE] In this Cabinet that is something of a hodgepodge, made up of socialists, leftists, Apristas, independents, and businessmen, is there not a risk that it will be difficult to arrive at decisions?

[Sanchez] Rather than a hodgepodge, it is more of a Cabinet milkshake! On the contrary, I think it is a Cabinet that engages in no ideological discussions except on very precise issues. That is why it is a Cabinet with greater possibilities of teamwork.

[DEBATE] How do you view '95?

[Sanchez] Although the challenges facing Peru will probably be different by '95, we shall also have to organize an instrumental movement. Ideological alignments must disappear—after all, they are somewhat fetishistic—and give way to instrumental appeals to do precisely what the people want. Such instrumental parties may include various ideological factions, but with a programmatic, instrumental commitment. The closest thing to what I envision is (socialist) Ricardo Lagos' Party for Democracy in Chile, which even includes the republican right.

[DEBATE] The Chilean case is explained by a special circumstance in which a common demon, Pinochet, had to be beaten....

[Sanchez] Our demon here is Abimael Guzman. We need to organize a broad national platform to save the country from terrorist destruction and narcotrafficking. [passage omitted]

[DEBATE] To what can Fujimori's government aspire?

[Sanchez] We must be realistic and not engage in demagoguery. Any party that tries to bring about a great national transformation in 5 years is deceiving the country, particularly given the conditions in which it was received. In that sense, the government must aspire over the 5-year term to halt the inflationary process, revive the investment growth rate, consolidate the process of regionalization on a more stable rather than a solely political basis, initiate a process of industrial reconversion, and get Peru back in a more dynamic position in international trade.

[DEBATE] Fujimori has already been president for 6 months and he is still somewhat indecipherable for many people. What is he like?

[Sanchez] He is a very pragmatic and demanding person. He is interested in results, not words. He is a man of few words, preferring to see proposals and results. Politically speaking, he responds to what could be the tangible results of government. His political successes will be easily expressed in concrete accomplishments.

[DEBATE] Do you not think his political style, which is frequently "confrontational," could be an obstacle for a government that claims to come together on specific problems?

[Sanchez] He does not have a confrontational style. It so happens that he says things with absolute clarity. For example, that Parliament should devote less time to rhetoric and demagoguery and more to the creation of laws is something on which all members of Parliament agree, so that it is not necessarily pejorative to say so! Fujimori

says things quite clearly so the people will understand them, although this may sometimes make some people angry. That the Palace of Justice is the Palace of Injustices is something the Peruvian people have been saying for over 50 years!

[DEBATE] But to call the judges jackals....

[Sanchez] But many judges are jackals!

[DEBATE] Of course, but do you not agree that this style, which definitely gets applause, contributes very little to being truly able to begin a process of concerted problem solving?

[Sanchez] At any given moment, one has to be very drastic in one's labels so that people will clearly understand what one wants. Based on a verification of the facts and a precise diagnosis of the evil that one wishes to extirpate, one can begin the concertation because it is obvious that the government must move toward political unification.

[DEBATE] How much does Fujimori trust his ministers?

[Sanchez] Totally, but when he comes to the conclusion that a minister is not helping him, he will ask for his resignation. On that he is crystal clear. A ministerial post is a transitory office linked with precise objectives which the government has imposed on itself for a specific period of time. There comes a time when one ceases being useful in terms of those objectives, so that one has to know when to quit. Like a good soccer player, one has to retire while the people are still cheering rather than wait until they pull you out amidst the boos!

[DEBATE] In terms of the government's accomplishments to date, what could it have done better?

[Sanchez] Everything can be done better. What is most important is to seek a certain political consensus in order, either because of statements, expectations, or doubts, to prevent an economic program from being torpedoed by words. There are many comments and few proposals. The government is not closed to criticism or dialogue. The problem is that we need to create mechanisms so that it may come about more fluidly. Before taking the measures we took in August, there were dialogues with all political parties, economists, and public opinion groups. If the MRTA [Tupac Amaru Revolutionary Movement] should wish to lay down its arms and debate, fine! Let it do so, because it is guiding its people toward an unviable purpose. The case of Sendero (Shining Path) is different because it has other political aims. Frankly, it makes me sad to see people in the MRTA die because they are honest people.

[DEBATE] What do we need to do to make sure that the economic plan launched in August will have a medium-range perspective?

[Sanchez] We have already started something with the tax reform, but it still needs improvement. We have also initiated the reform of public administration with a law

making it possible to make cuts in personnel. We are moving forward on government-owned companies; they no longer receive government subsidies and are no longer the cause of inflation. At the present time, the sole cause of inflation is the private sector, which raises prices. The government has naturally instituted certain increases, such as the one in December, but they were necessary in order to check the evil at the root. At any rate, what concerns me most is expectations, which at the present time are the most important factor with respect to inflation.

[DEBATE] What would you say are the main limitations of a government such as Fujimori's? What might cause it to fail?

[Sanchez] The IMF's incomprehension of social problems, for example. I would have its officials come and stay in Ayacucho or Huallaga for a time so that they might gain some understanding of the challenges facing this country. Reintegration must generate a positive balance of foreign exchange for the country because to pay into international organizations without receiving compensation in terms of international reserves could push the economic program over the brink. We cannot rejoin international organizations at a high social cost. If we did so, reintegration would not be viable and the IMF and World Bank must understand this. Fortunately, the person who understands it the best is Enrique Iglesias, a Latin American. A second problem stems from the international context and the concern of developed countries. I would not say it is unfavorable to Peru, but it is indifferent, and this is bad. It is even worse than if they viewed us as an opponent. Thirdly, I am concerned about international economic trends. The Gulf crisis will definitely have repercussions, but I am not as worried about short-term effects as I am about those that might stem from a major international recession in the years ahead, which could substantially depress metal prices.

[DEBATE] All the risks or obstacles you mention are of an external nature. What internal ones do you envision?

[Sanchez] Well, that people may have fun taking pot shots at the government in the next municipal elections, for example, that for the purpose of winning political space, circumstances might be created affecting the progress of the economic program. Terrorism is also obviously a crucial factor in the process.

[DEBATE] Do you not think that Parliament might become a serious obstacle?

[Sanchez] No, because the makeup of Parliament forces one into unification. It is necessary to strengthen ties with Parliament. I think that that is where we can find a good political base for the government, especially with respect to certain fundamental actions like big investment projects. Camisea, for example, is not viable without domestic political support. Likewise, we need a political consensus on the instrumental administration of the economic policy so no pressures can affect its

central foundations. Finally, we need a political consensus in order to back the process of international reintegration.

* Industrial Production Figures Reveal Decline

91SM0271C Lima EL COMERCIO in Spanish
23 Mar 91 p B-6

[Text] The gross domestic product [GDP] for the month of January was 11 percent lower than during that same month of last year. Compared with that period, activity in all areas, particularly the primary sectors, declined. Fishing suffered the largest drop, down 11 percent, followed by agriculture, down 4, and mining, down 2.

For their part, manufacturing and construction suffered marked drops of 10 and 31 percent respectively.

Compared with December 1990, deseasonalized production of goods, following the recovery that took place during the last quarter of the previous year, resumed the downward trend characterizing the monthly evolution of production registered during most of the previous year.

In January, the rate of variation in the material GDP was 1 percent lower than in December. The increased activity of manufacturing and fishing sectors was not sufficient to compensate for the drop registered in the construction, mining, and agricultural sectors.

Fishing production achieved deseasonalized growth of 55 percent compared with December, mainly due to larger catches of fish used in making fish meal, aided by suspension of the ban on anchovies that was in effect in November and December and the high price which that product brings on the international market.

Manufacturing production was up 7 percent (deseasonalized) over December.

This positive rate for the fourth consecutive month is the result of an increase in production of branches which process primary resources, higher for fish meal manufacturing with 24 percent and lower in the refining of nonferrous metals, 12 percent.

The rest of industry showed declines, the most noteworthy of them in the basic iron and steel industry, down 51 percent, and glass, down 27.

The crisis in the mining sector was once again evident in the deseasonalized monthly rate, down 5 percent after rising in November and December.

This rate mainly reflects the 35-percent drop in iron mining resulting from problems facing Hierry-Peru in the technical, financial, and labor areas.

Silver production also dropped 4 percent due to the steady drop in the international price since August.

Agricultural production dropped 2 percent except for deseasonalized production. This result is basically

explained by the behavior of production in the agricultural subsector, where smaller areas of nearly all products are being cultivated.

Unfavorable climatological conditions marking the beginning of the season in the southern mountains and a reduction in the use of fertilizer because of its high cost and less real financing from the Agrarian Bank (54 percent compared with the previous season) affected the cultivated area.

Finally, construction activity dropped 23 percent compared with December.

Local cement sales, chief indicator for the activity, totaled 155,200 metric tons, 20 percent under the December volume and 31 percent lower than in January of last year.

*** Regional Presidents Request Government Action**

9ISM0271B Lima EL COMERCIO in Spanish
30 Mar 91 p A-12

[Manifesto by regional presidents issued in Trujillo on 29 March]

[Text] After three days of deliberations, the conference of regional presidents held in this city has drawn to a close. The following manifesto was issued at the conclusion of their meeting:

1—To request that the Permanent Congressional Commission, in accordance with its constitutional mandate, meet to discuss the ruling of the Bicameral Budget Commission that waives supreme decrees 041-91-PCM, 047-91-PCM, and 051-91-EF, which attack the competency of regional governments.

2—To request that the Senate Regionalization Commission consider at the earliest possible date the bill regulating Article 121 of the constitution on revenue received by regions from development of their natural resources.

3—To urge the National Parliament to complete the process of setting up regions, resolving the cases of

Lima-Callao and the San Martin region, for which purpose it is urgently necessary that the Executive Branch present the respective bill.

The San Martin-La Libertad region must be the subject of a law modifying the scope and composition of its assembly with the full validity of its current authorities. (As Region III president Juan de Dios Cubas Cava read the pronouncement, the small audience protested, particularly members of the teaching profession belonging to SUTEP [Trade Union of Education Workers]).

4—To pass on to the National Parliament a bill on constitutional modification so that the presidents and vice presidents of regional assemblies may be elected by direct, universal suffrage as one way of expanding and improving the democratic nature of the regionalization process.

5—To institutionalize the National Council of Presidents of Regional Governments as a permanent coordinating body with legal status and a department of technical support as a regional mechanism of the country.

6—To set up regional pacification commissions under the regional government in each of the regions, inviting the church, military and legal authorities, the Attorney General's Office, local governments, universities, and social and cultural organizations to join in order to formulate specific pacification strategies connected with regional development policies.

7—The structure and operation of regional government must be sustained by harmonious and coherent relations with local provincial and district governments, generating a process of social participation originating at the grass-roots level.

8—We ask for strict compliance with the constitution in terms of rights sanctioned by the judicial branch, in order that it may more perfectly fulfill its role of administering justice within the framework of the regionalization process.

Signed by all regional presidents.